UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
------------------------------------x
GO GLOBAL RETAIL, LLC,

Case 1:23-cv-07987

Plaintiff,

- against -

DREAM ON ME, INDUSTRIES INC.

Defendants.
-------------------------------------x

Digitally Recorded Proceeding by:.
Transcribed by: Sinead Curran
BEE REPORTING AGENCY, INC.
55 MAPLE AVENUE
ROCKVILLE CENTRE, NEW YORK 11570

MS. GARGIULO: This side, that side?

MR. FEUER: Yeah, I always like to have the light behind me, if that's okay. Or just like, or you guy -- we sit here? Okay.

MR. GANDHI: No, it's okay, man. Wherever you prefer to sit --

MS. GARGIULO: You can sit here -- you want the light behind you?

MR. FEUER: Yeah. I like mixing it up.

MR. GANDHI: If that makes you more positive, then choose it.

MR. DAHIYA: Yeah, the customer has already decided what side he wants.

MS. GARGIULO: Yeah, that's fine.

MS. LAUSTER: That's good to mix it up. We should not be on the same side

MS. GARGIULO: You guys coming this way?

MR. GANDHI: Yes

(Crosstalk)

MR. GANDHI: I came here for a second or third time here.

MS. LAUSTER: Oh, really.

MR. GANDHI: (inaudible).

MS. LAUSTER: Oh. I was telling Matthew – so he assured me you guys had just moved -- probably just to be aware –

MR. GANDHI: Yeah.

MS. LAUSTER: -- and I'm a vivid dreamer. I had a dream last night, and we got here, and you guys already knew who we were --

MR. GANDHI: Oh, my God.

MS. LAUSTER: -- and Im like, I don’t know that they can do this deal.

MR. GANDHI: I don’t know --

MS. LAUSTER: It was such a vivid dream.

MR. GANDHI: Well, now, I think you are --

MS. LAUSTER: Yeah.

MR. GANDHI: -- rest assured it's better than that.

MS. LAUSTER: So funny. It was such a vivid dream.

MR. GANDHI: So, what is Matthew’s role? Is --

MS. LAUSTER: He’s -- he works with me.

MR. GANDHI: He works with you?

MS. LAUSTER: Yeah. He’s like my right-hand man.

MR. GANDHI: Matthew or Matt, or --

MS. LAUSTER: Matthew.

MR. GANDHI: Matthew --

MS. LAUSTER: Yeah. Yeah.

MR. DAHIYA: Yesterday, Steve was able to --

MR. GANDHI: Yeah, I was able to --

MS. LAUSTER: That's great --

MR. GANDHI: Like in 12 hours, he was able to put up for us, you know —-

MS. LAUSTER: That's great, yeah -- that was

MR. DAHIYA: That's the one thing I said --

MS. LAUSTER: -- when I was having the dream last night --- oh, you can dial it in on the phone.

MR. GANDHI: I learned that the other reason is that they could be so far away the internet could be a problem.

MS. LAUSTER: Ah, Well, yeah.

(Inaudible)

MR. GANDHI: It's a nice day outside. It will be 80 degrees, I heard.

MS. LAUSTER: Oh, wow --

MR. DAHIYA: (inaudible).

MS. LAUSTER: -- just drive.

MR. GANDHI: Yeah, but you are in the city anyways, so.

MS. LAUSTER: Yeah, yeah.

MR. GANDHI: You are in a small apartment –

MS. LAUSTER: Yeah, yeah. Exactly.

(Crosstalk)

MS. LAUSTER: How far is the old office from here?

MR. GANDHI: Twenty minutes.

(Crosstalk)

MS. LAUSTER: He’s not locked outside, is he?

MS. GARGIULO: He was on the phone.

MR. FEUER: He tried to get in.

MS. GARGIULO: We locked him out?

MR. DAHIYA: And then we see him there, let me in.

MR. FEUER: If you’re late, you’re out.

MR. DAHIYA: How are you?

MR: LAPISH: Pleasure to meet you.

MS. GARGIULO: Did you get locked out? Oh, you know. Im going to have to launch this, right?

MR: LAPISH: Eh, probably.

(Inaudible)

MR. DAHIYA: I need to shut it down and spend time with her.

MS. GARGIULO: What does she do?

MR. DAHIYA: She’s in 12 - she’s 12 years, and my other daughter is 16.

MR. FEUER: Ah, okay.

MR. FEUER: So, my youngest daughter, many years ago, made a little -- such like this, patched mouse pad, it like little child's drawing and then my wife turns it into a mouse pad – and I still use it in my office. The artistic relevance is pretty significant. It's nice. It looks pretty raggedy now because I use it for 15 years.

(Inaudible)

MS. LAUSTER: Handouts for everybody.

MR. DAHIYA: What do you think, after speaking to Lazard, do you -- they are more likely to come back? We worry about it kind of situation. There's no need to push the date, as of now, but once you have your thing worked out, then we can. Do you think that's --

MR. FEUER: I think that to some degree.

MR. DAHIYA: We are not so openly saying that we'll -- we'll move it.

MR. GANDHI: It's not in their hands also.

MR. DAHIYA: Yeah, I know.

MR. FEUER: To some degree, the issuer has said this was not the first time they got the call from us.

(Crosstalk)

MR. FEUER: This was number three, so therefore, you can't ask for so many favors and so --

MR. DAHIYA: I get it.

MR. FEUER: -- In other words, what they said was, hey guys, we can make it work to some degree, but we also need you to show us something, right?

(Crosstalk)

MR. DAHIYA: That's what it seemed. Like, show us something. Some progress on that, right?

MR. FEUER: Yeah.

MR: SROUR-SERURE: Did you drive here?

MR. FEUER: Easy, but long.

MR: SROUR-SERURE: How long did it take you to get here from Connecticut?

MR. FEUER: It was two hours and maybe ten minutes. But there was, I mean, I was driving with the traffic, not -- not against the traffic.

(Crosstalk)

MR. FEUER: So, from there -- from where I live, driving towards New York, there is some traffic, but then --

MS. LAUSTER: Do you guys -- What's your --

MR. GANDHI: Wi-Fi?

MS. LAUSTER: Yeah.

MR. GANDHI: There's a QR Code outside, right? That'll give you access.

MR: SROUR-SERURE: It is the first official meeting here. We are not even here yet. We are in transition of working --

MR: SERURE: 917 --

MS. GARGIULO: So, they are in the waiting room, waiting to be let in.

MS. LAUSTER: Yeah, I know. I'm trying to figure out --

MR: SERURE: 917 259 --

MS. LAUSTER: 295 --

MR: SERURE: -- 4635 --

MS. LAUSTER: Is that Dream on Me or Dream on Me guest?

MR: SERURE: Guest, guest.

MR. FEUER: So, no big deal, it just takes some time --

MS. GARGIULO: Are we doing it on here, though?

MS. LAUSTER: I'm trying to -- I got to let them in, but I'm having difficulty getting on the Wi-Fi.

MS. GARGIULO: No, no, I know, but is it going to be on screen?

MR: SERURE: Yes.

MS. GARGIULO: Okay.

MR. FEUER: Now, why did you choose this location?

MR: SROUR-SERURE: Square footage. We were not able to get a large building, and from where we are, it's almost like a ten-minute drive, so we still have The Police and the health --

MR. FEUER: In the location --

MS. LAUSTER: So, I think we need to rejoin --

MR: SROUR-SERURE: Not only that, but to Philadelphia or anywhere like that where it's cheaper --

MS. GARGIULO: So, what do you mean rejoin?

MS. LAUSTER: Up there.

MR: SERURE: So, you know who you have right now.

MS. GARGIULO: So, I know Yuen is in the waiting room --

MS. LAUSTER: He's on --

MR: SROUR-SERURE: -- so, we cannot just --

MS. GARGIULO: Yeah, and then we're just waiting for Jeff. I see Yuen and --

MR. FEUER: Okay, makes total sense that. I mean it's not the cheapest, but it's not always the cheapest that is the best.

MR: SROUR-SERURE: It's convenient. It's still in, like, driving vicinity for us.

MR. FEUER: Yeah.

MR: SROUR-SERURE: We are 50, 55 minutes from home.

MR. FEUER: It takes you only 55 minutes for everything?

MR: SROUR-SERURE: Can be. Usually -- I mean, it also depends on traffic.

MR. FEUER: Yeah, yeah.

MR: SROUR-SERURE: The other (inaudible) was 40, 45 minutes.

MR. FEUER: Fourty-five -- whoever lives in the New York area, if our commute is not (inaudible).

MR: LAPISH: Whereabouts in Connecticut are you?

MR. FEUER: In Litchfield County, It's --

MR: LAPISH: I know where it is. We're on the other side of Hartford.

MR. FEUER: It's Jeff and Yuen.

MS. GARGIULO: Oh. Can they --

MR. DAHIYA: Are you guys able to hear us? Can you hear us?

MS. GARGIULO: They can see you, though, because --

MS. LAUSTER: Device settings -- Team can't hear you; check device settings.

MS. GARGIULO: And also, I think our camera is off.

MS. LAUSTER: Yeah, cameras off.

MR. DAHIYA: Would you check with Stuart (Phonetic)?

MR: SROUR-SERURE: It's only you because there is no camera there.

MR. DAHIYA: Oh, there is no --

MR. FEUER: So, maybe we put your laptop over there?

MR. DAHIYA: Yeah, yeah.

MR. FEUER: So, do you have an outlet over there?

MR. DAHIYA: That would be a good idea.

MR. FEUER: You probably -- you need an extension cord. Ah, like, here? Or maybe put it -- I think it's better if you put it here.

MS. GARGIULO: Ah, that's better. You can see the conference room now. I don't know if they can hear us yet.

MR: SROUR-SERURE: It's good to come here and –

MR: SERURE: Steve --

MS. GARGIULO: I could – I could put in on my computer for sound, if you want, for now?

MR. FEUER: I have sound.

MS. GARGIULO: I will have sound if I connect. Until -- until it's --

MS. LAUSTER: It's that blue button up there, device settings, right? You should check your device settings. See that message?

MR: STUART: Can you not hear them, or can they not hear us?

MS. GARGIULO: They cannot hear us.

MR: STUART: Click device settings up on top.

MR. DAHIYA: On there.

MS. GARGIULO: It's on this computer.

MR: STUART: Can you hear us? How about now? Can you hear us?

MS. GARGIULO: We can't hear them yet, but --

MR: STREADER: (inaudible).

MS. GARGIULO: Ah. Can you here us too?

MR: STREADER: Yes, I can hear.

MS. LAUSTER: Oh, fantastic.

MS. GARGIULO: Okay.

MS. LAUSTER: So, we sent out an agenda in the invite last night, you know, we're not married to this order necessarily. The things that we thought that we needed to cover -- to discuss the bid procedures and the overall process. We gave each of you guys a copy of the timeline and everything, so we -- so everyone knows what needs to be done. And then the timing and the status of the TSA and APA.

The Go Global team has been working really hard with their counsel and Matthew's assistance to put together the TSA and APA so they can give an update on that. Go Global, we've got some questions for you guys, and I'm sure you guys have some questions for Go Global. And then we could talk about, you know, what the structure of the transaction would look like and then open discussion. So, that's what we are thinking in terms of agenda. If that's agreeable to everybody?

MS. GARGIULO: So, I just want to stop for one second. Jeff, could you hear Kathleen speaking? I just want to make sure it's loud enough.

MR: STREADER: Yes. Can hear Kathleen very clearly. I just cannot -- cannot see anyone. It's just -- I see three water bottles in the middle and Kathleen leaning in and that's it. There's no optics for us.

MS. GARGIULO: Okay.

MR. FEUER: That's me.

MR: SROUR-SERURE: Maybe you want to move -- to move the laptop further down?

MR. GANDHI: Further down, yeah.

MS. GARGIULO: Yeah. Or honestly, why don't you turn it -- why don't you turn it this way a little bit? Because Jeff doesn't need to see me or --

MS. LAUSTER: Or me.

MS. GARGIULO: -- he knows what we look like.

MR. FEUER: Is that better?

MR: STREADER: Yes, thank you.

MS. GARGIULO: Okay. Yeah, you don't need to see Deb and, Kathleen and Matthew, so that's fine.

MR: STREADER: That's a -- that's a much better view.

MS. LAUSTER: So. Before we dig into this agenda, did you want to -- I mean, we've all met each other already. We had the, you know, the nice dinner the other night. We had our call on Sunday or Monday. All the days blur together now. But is there -- Jeff, is there anything you wanted to say to kick this off or anything before we get into this agenda -- the meat of this agenda?

MR: STREADER: I -- listen, I -- we know that you have been in the data room. We know that you have been a partner to Buy Buy Baby for a long time. We know that you bring relevant experience to this potential partnership with us.

We've been in the data room working really hard. We've been working with lenders and non-lenders. We've been working with management -- don't know them as intimately as you do -- we've been conducting diligence on the brand, product assortment, the competitive landscape and working with the professionals, such as real estate

professionals, such as technology companies that we would migrate to, such as new 3PL partners and we put together our thesis.

It is not a lay-up -- using a basketball term -- where we are just driving in for a quick two-point basket. We know that this is a -- there is some risk behind this investment opportunity. We think it's phenomenal. We really do, and are excited about this potential to restore a billion-dollar, relevant, E go-to destination for young parents -- parents.

And the prospect of partnering with you is quite exciting for us because most of the other people we're speaking with, investor partner potential, are more passive or have less of an understanding of the pain points and the upside. Not saying they're just -- they're all Excel jockeys, but they don't have the experience, the sweat equity that we have put in the industry, and that you have.

And, because of that, this meeting today is super exciting for us. It's -- we're really excited about learning more about what you've accomplished in your diligence and in your relationship and sharing more about what we learned, and then Christian will lean in and provide you our insights on valuation and where we think this could potentially go.

This is going to be a great meeting. I know already going in, and I apologize -- Yuen and I apologize for not being there. We have a board meeting -- a Janie + Jack board meeting in five hours, and as the Chairman of the company, I need to be here. There's a lot of really good things going on for Janie + Jack as we open new stores and invest into digital technology.

So, we will meet again soon if this meeting goes as planned. I'd love to meet you in person early next week.

MR. DAHIYA: Thank you, Jeff.

MR: STREADER: So, Kathleen, back to you.

MS. LAUSTER: Okay. So, the first thing we wanted to talk about, just to kind of frame the context of this meeting, is the bidding procedures. I gave you guys all copies of it. And just so everybody is clear --

MR. DAHIYA: It's a single page, right?

MS. LAUSTER: Yup. Yeah.

MR. DAHIYA: We already have too many pages.

MS. LAUSTER: Oh, God, it's true.

MR. DAHIYA: Did anybody else --

MS. LAUSTER: Yeah, I mean - it's just, you know, I mean, we're up against a really tight deadline here, we all know that. You know this disbandment, close-cut pact with Lazard, who's running this process to

understand what needs to be done to make sure that we've got a seat at the table for the auction. And, the bottom line is, is that there needs to be an equity commitment letter by Friday.

Lazard is willing to be -- to allow for certain contingencies with that commitment letter. So, there can be some outs on it, but they need to see something to qualify as a qualified bidder for the auction.

The second thing is -- is, there has to be a good faith deposit of 10 percent of the value of the bid, and this absolutely has to be by Friday. We're -- we'll be going into the weekend and Monday is a federal holiday. So, quite literally, the wire has to happen Friday. Otherwise, it wouldn't happen until Tuesday, and Tuesdays too late.

So, you know, that's the Immediate deadlines that we have in front of us. In terms of full funding, that's after the sale hearing, so it would be -- they're scheduling that for June 27th or as soon thereafter so as the debtors maybe heard.

So, those are the key -- and the auction also, I should mention, is on June 21st. So, you know, we might come in with our bid, and the idea being is that we might have to raise it in order to win it during the auction

process. So, does anybody have any questions about these timelines or the procedures or anything along those lines?

MR: STREADER: I think you should also mention how you have been in constant contact with Lazard. Avish, I think you maybe spoke with Lazard recently about a -- an extension, just a slight extension, and Christian has developed an intimate relationship with them about giving us a little bit more time. I think we should just talk about that because we -- at least this is what I've gathered from the soundbites from everyone – that there is no more time. And, Christian, could you go first on that?

MR. FEUER: Yeah, so, I mean, eh, straightforward. We were on the call with Lazard, and technically, by tomorrow, all bids would have to be delivered with no out. But, based on our relationship, maybe, but probably more, because they want somebody to take over the business. They allow us to have maybe -- or not maybe – provided a bid with outs. But that's really where it comes down to. Which then has to be qualified with no out by no later than Monday or, the worst, on Tuesday.

But that's basically the best they could give us so far. The golden opportunity to ask for more time, but under that circumstance, we would probably have to give

them an attractive outcome of the way. And so, whatever that would take.

MS. LAUSTER: To answer your question, I mean, the way this has been, I mean, they've had four extensions already, right? And they'd always come at the 11th hour. But it's less likely there's going to be another because what was driving the other extensions was that the bidders on Bed Bath & Beyond were not ready either. Now that they have their stocking parts bid for Bed Bath & Beyond, you know, I don't see them extending this much longer, you know.

MR: SROUR-SERURE: But as far as we know, there are no bidders on the Buy Buy side. So, they can go ahead if there is no bidder?

MS. LAUSTER: Well, if there is no bidder, the lenders can always credit -- they'll just bid for the assets. Rick, I don't know that we're certain there's no bidder?

MR. FEUER: I'm sure that specific comment was that there were others who were interested in -- in buying the IP, but because the intention is to find a buyer for the entire business, they didn't accept an IP stocking cost. So, so they -- so they didn't have -- that's what they said.

MR. GANDHI: You've got to believe what they are saying right now, anyway.

MR. FEUER: Yeah, I mean, we know and have heard that others were interested in the IP for Buy Buy Baby. We were able to read it.

MS. LAUSTER: It was on CNBC.

MR. FEUER: So, I mean, you never know. I mean, there is always a big difference between interested and making a qualified offer. But it is probably fair to assume that there is interest.

MR. DAHIYA: And what's the -- you're talking about the -- do we know what the Braincube guys are looking at now?

MR. FEUER: Okay, so -- because we are in person, on the bid. So, the -- just give me an idea. I mean, this is strategy; on the one side, and then on the other side, we have to compare it. Either that they're -- we are finding two opposing opportunities. One is another data, so we all don't know, but the one we can qualify to some degree is the liquidation value.

So, what Kathleen mentioned, there's always the opportunity that the -- goes to auction, somebody bids one million, and that's the highest bid, but then the creditor will say, hey, you know what, I bid 20, 30, 40 or whatever

million because I know I can get more out of the liquidation of the asset.

MR. DAHIYA: (Inaudible)

MR. FEUER: Yeah. And so, since there are some estimates in regards to what the inventory value will be -- we all don't know what the IP value is -- the indication-based Bed Bath & Beyond was able to achieve. Now, the question is whether it's apples to apples, but it's not as high as what some people might have hoped. So, these are the two things we are up against.

The question is what our strategy is. So, there are two elements: where do we start, and how far are we prepared to go? And, if we want to discuss this right now, happy to share our thoughts.

MR: SROUR-SERURE: Please.

MR. FEUER: Okay. Because, I mean, this goes to the heart, right? I mean, how much do we --

MR. DAHIYA: Yeah, yeah, yeah.

MR. FEUER: How much money do we need to play? And, then, is it worthwhile?

MR. GANDHI: How much you give me?

MR. FEUER: Yeah. So. Okay, so, what we have done is we have a strategy to make sure in order to win the bid, and under the assumption that the IP had higher values than it might have right now, we provided a bid

where we offered the estate [redacted]. That was constructed of [redacted] of equity that we would provide, plus [redacted] of equity that 6th Street and potential partners would provide, and a [redacted] seller note which would qualify, or which would be like, whenever we want to pay it.

So, that was what we suggested originally. And there was interest on the 6th Street side but ultimately, they decided not to go forward with this.

Now, we are later, we know what the IP best bid so far is -- [redacted] for Bed Bath & Beyond.

MR. GANDHI: (inaudible).

MR. FEUER: It's over the liquidation value, false liquidation value of the assumed [redacted] dollars. So, we built the relationship. It's like 1/6th or less, [redacted] or so. And there was no stalking horse bidder for Bed Bath and, therefore Buy Buy Baby. And we still get the message: we are the preferred buyer, and there is nobody competing with us. We are thinking of --

MR: LAPISH: You are thinking of this as a growing concern?

MR. FEUER: As a growing concern, right? Yeah, so for the IP -- so we have a few thoughts. So, the two assets that are there is, on the one side, the IP – we all don't know necessarily what the value will be, but the

inventory, which will remain, at the time -- at the end of June when we would take over the business, there is an estimate -- and Kathleen and Matthew has some information -- [redacted] and they believe if they liquidate it, they will get [redacted], based on the trend, how they have been liquidating and still go -- and people have very good ideas how. If I'm starting here, I'm here now; what variable end?

So, I think that sounds sort of fair, and so, if we would offer substantially less than [redacted] for the inventory, they would decide probably, hey, let's still go through the options. So, yeah.

On the other side, then, there's the IP, and the IP, again, we all don't know; I think we all believe, probably, that the Bed Bath & Beyond is really -- I don't know what anybody really wants to do with this. Overstock.com, I sort of get an idea, but Buy Buy Baby, as we discussed earlier, has a real place in the market and, therefore, has probably, at least in relationship to the original false liquidation value -- has a higher value.

And, then there is the thought of, we probably don't want to offer too much because we want to have the ability to (inaudible). And, so, if you take all this, at one time, we said [redacted] -- of which [redacted], by the way, came from 6th Street -- so, it wasn't really [redacted] in

real money. It was finding money to a large degree from 6th Street, and where are we now? And our thinking is that we probably offer an amount of, for sure, less than [redacted]. And so, we are thinking, well --

MR: SERURE: That's just for the IP?

MR. FEUER: No. For everything.

MR: SERURE: For everything.

MR. FEUER: I mean, so, okay, so, I mean even prior, so, and yeah, I don't want to talk the entire time, but I can give you our thoughts, how and where to potentially get it. And there is no perfect answer, right?

MR: SERURE: That's true.

MR. FEUER: Because collectively, we would come to an answer and say, well this is, so, another aspect is -- so we want to make an offer which is attractive enough that they want to entertain us.

There's also the thought that maybe what we want to do is to have a low offer but still try to get 6th Street to participate. So, every dollar 6th Street participates is a dollar we have more to turn the business around or payout as a dividend later on or whatever we want to do, right? So, then that is and -- this is fine line where to walk. So, we know it has to be for sure over 30 because otherwise, why would they sell us the

business. The equity the IP has a value -- to be discussed what this really is.

Im sure there is somebody like Babylist, I can easily imagine that they offer [redacted] to the business, but nobody knows, right? And then there is also the other element which we have not qualified: If we take over the business as a growing concern, we also take over all the associates, and so there are lower costs of the wind down.

There is also, the one question where I do not have the answer. Is we can consider to take on the post-petition liabilities, which we can continue this? Doesn't really cost us money at the beginning, but it is from the estate perspective, dollar for dollar, so if we take on 10 million dollars of liabilities that are post-petition of our offer, 10 million would go against this liability. So, I'm trying to find out what this is.

MS. LAUSTER: You're talking about the cure costs.

MR. FEUER: It's not necessarily cure -- I mean, whatever, so that --

MS. LAUSTER: Yeah.

MR: SROUR-SERURE: What do you mean by liability?

MR. FEUER: So, if there is any payables for right now.

MR: SROUR-SERURE: Okay, right.

MR. FEUER: So, because they are post the Chapter 11, every payable which is created post the Chapter 11 has priority over the creditors getting money.

So, by assuming this, and I have no idea, its only five hundred thousand dollars, it's not relevant, maybe it's a few million dollars? If this is liabilities with existing vendors, it is not costing us any cash because we could continue to invest our utilities, for example, or that they would go into a normal AP cycle. It's a minor point, I don't know. Just sorting this out.

MR. GANDHI: So, I'll add some value to what you said about the liability side. When we did it when I did one of those interactions, what we did was we selected a few vendors who are good for -- who are best for us, right, in the normal course of business. And, then -- rightly as you said -- you take it dollar for dollar, but you talk to them, and you make it out 50 cents to a dollar, immediate for them to get it.

The balance by committing them the future business. So, you gain whatever, you know, whatever the difference between the dollar and 50 cents or whatever we can negotiate with. So that is the one thing we have done.

The second thing that we did was we put the estate in command of the situation in such a way we told the estate that, listen, you are saying that the inventory is for [redacted], and you will be realizing [redacted]. So, we put a caveat there. That, you know, if we don't get, let's say, [redacted] or [redacted] or whatever this come to, then for every dollar we receive less, you will also be participating into that loss, so to say. That was another thing that we did.

The third thing we did was when we did this, entire, you know, calculations -- and let's say the value came to [redacted]. We told estate, that listen, on day one, we told you that that it's a [redacted] value and all these things are fine, but we are only going to give you [redacted], For example. The balance, [redacted]ill come to you as we start selling as we start operating the stores.

So, we provided a window of another three years such a way that that [redacted] could also become [redacted] also for them. So, if it's, let's say, three percent of the sales, so, if you are doing, let's say, half a billion dollar in sales, then [redacted] per year that they can get for the next one or two years.

So, we deferred that payment. We reduced our case requirements, and then we forced them to make sure

that we continue to perform with their support. So, that the three-months window that they are talking about right now. We have other situations, but we could extend those things because now they are party to what we are doing.

MR. FEUER: I think its key for us to somehow make the entity that's calling the shots vested in our success

MR. GANDHI: Absolutely.

MR. FEUER: Because we need them.

MR. GANDHI: Exactly, exactly.

MR. FEUER: We will need them in the near future. And I like this. All this, that makes a lot of sense. It's like stretching, somehow, the same way that's helping the money we pay them into the future, in some shape or form, and ultimately get them vested in our success.

MS. LAUSTER: So, they back off from the credit bid, I think, largely because they are recovering. They're getting on Bath so much less than they expected. So, they are just prioritizing cash.

They did offer -- their last offer to us was no credit bid but at [redacted] (inaudible)on the back end. So, once we --

MR: LAPISH: Term --

MS. LAUSTER: Yeah, term --

MR: LAPISH: Term secured by the IP –

MS. LAUSTER: Correct, yeah. So, once we get this capital stack agreed to, we're going to we're going to go back to them because we think that they would be willing to pay a smaller dollar amount.

MR. GANDHI: So, what is the structure looking like today? Let's say if it is -- or how you're proposing that it will be likely [redacted], [redacted].

MR. FEUER: No, so we will bring more. So, I mean, okay, so, again, so, from the capital required, there are two main components: one is to buy the business, and the other is to operate the business. And, so, under the assumption that the money to operate the business, to stand it up, is not changing. The only number that is changing is really the purchase price.

Originally, I would think it was where we started out, and so, I think the model shared with you was basically [redacted] to buy the business and [redacted] to operate --

MR. DAHIYA: Operate.

MR. FEUER: -- operate it and start it up. If the first [redacted] goes into [redacted], I personally would probably feel safer, if we have [redacted] to operate the business because we want to capitalize the business. I mean, in the end, we would be fully in control and maybe

can structure it in a way that we have it, I reserve, in our control, not that the lenders get involved into this, whether we maybe pay it back or paid out. However we do it, we will be able to figure it out.

But, so, in other words, I would prefer, altogether, we raise the same amount of money but have a better, stronger safety net.

MR: SROUR-SERURE: From my understanding of the other night meeting, a 70 over there plus a 70 on the night of the meeting, or whatever, that's called -- that you were called to propose over there, 90 days with the stores, with the leases over there. That's going to continue operating and you won't be able to negotiate. The better terms over there; is this still on the table?

MR. FEUER: Okay. This is part of our request, so the point is we don't know whether they will accept that. But we will have, I think, good reasons to request this. That's clearly our request. Ninety days for --

MR: SROUR-SERURE: Is no one on the situation like that?

MR. FEUER: In the past, it was, and so, I'm maybe not the biggest expert, but in the past, it was totally normal to do that, that you could reject agreements post-closing out of Chapter 11. That is not as

much the as the case anymore, but it’s still, I mean, I don’t know.

MS. LAUSTER: Yeah, we do need to, and I don’t know; maybe this has been done if we confirm with legal counsel how long we are allowed to reject leases.

MR: LAPISH: We can get optionality on some, but during that time, the estate doesn’t carry any of the costs, so, wrench, (inaudible) everything else has to be caried by us.

MR: SROUR-SERURE: I thought that you mentioned that that’s carried by the State, by the court?

MR. FEUER: So, and I think --

MR: SROUR-SERURE: It was also that, whatever bar by operational, was also getting paid by the court? That the way we understood it on the other night.

MR. FEUER: Okay, so, I think what is the case is that the, if you --

MR. DAHIYA: It should be under what? The transition agreement right now.

MR. FEUER: Yeah. So, we have the transition services agreement, and they technically pay it, but we have to reimburse them for these costs.

MR: SROUR-SERURE: That was mentioned the other night. Are you trying to embarrassment, to embarrass the --

MS. GARGIULO: The transition service agreement would be what we're outlining to them about all the services that they need to help provide to us during the period of time of the 90 days because they can only give us a transition servicing room for 90 days.

MR: SROUR-SERURE: Okay

MS. GARGIULO: Of that, they would cover some of the cost, but then we would also be charged. So, --

MR: SROUR-SERURE: What do you call some of – what does that mean? Some of the costs?

MS. GARGIULO: So, I believe that there was a document right now in the data room, which they're trying to refine, that there was a cost of [redacted] per --

MR: LAPISH: So, right now –

MS. LAUSTER: And they're covering the other [redacted]

MR: LAPISH: The agreement is in order for them to operate their capital; their technology stack; it's roughly [redacted] dollars a month. They've slimmed it down to [redacted] a month of absolute need, and through 9/30, they are willing to split that cost with is because they need it on the Bed Bath and Beyond side as well. And then we're using it. So, that's going to be split 3 million each; anything beyond 9/30 with Bed Bath and Beyond no longer exists. We would then be responsible

for all 6 million of it and the running of it if we haven't transitioned onto a new platform.

MR. DAHIYA: So, for three months they're estimating 6 million?

MR. GANDHI: [redacted] a month

MS. GARGIULO: But [redacted] would be --

MR. GANDHI: Only [redacted] for Buy Buy and [redacted] for Bed Bath. So, [redacted] --

MS. GARGIULO: I don't know about on the Bed --

MR. GANDHI: That's what you said --

MR: LAPISH: Yeah, that is.

MR: STREADER: Yes.

MR. FEUER: And, Jeff, you can talk about the leases, the fact whether we need to pay the lease cost during the first three months or not, right.

MR: STREADER: We have, in addition to retail store lease consultants outside advisors that specialize in lease negotiations. We're teed up and ready to go with many external people that become part of the Go Global team. The execution team, the extraction.

One of these is a leader in the industry. Their name has been listed in the data room. If you spent time in there, you have seen A&G, and we've had half a dozen meetings with them and have a proposal from them for day

one that they would come in and represent us in the negotiation.

They have told us that they believe that those costs, which we will bear, on day one for the rent of the stores and utilities and any related costs. That they will be able to get these reversed for at least a two-month, perhaps a three month period.

On day one, perhaps week one, it will be on our shoulders, our burden, to pay those while it's negotiated for that to be reversed during the negotiation period. In that negotiation period, that A&G leads, with the 95 different locations. Maybe it's 50 landlords, maybe it's 40 landlords, they will lead that negation and come back to us. We will decide, yes, we want to keep this location at the new term, or no, we do not, and we're terminating it now, during this period. And we feel good about this plan, having an expert in this space partnering with us.

MR. FEUER: That's it, Jeff. I think, in other words, what will happen is, on day one, we send all the landlords a letter saying, guys, we would love to work with you; condition number one is we get the next three months rent-free. Condition number two is, then, whatever all kinds of detail. And the landlords, which will say, hey, I don't want to, we will reject.

MR: SROUR-SERURE: And I can mention that this is coming from the court, that the court are able to force them to give out -- to give you the 90 days.

MR. FEUER: The 90 days --

MR: STREADER: No.

MR. FEUER: -- the ability to reject, but not the --

MR: SROUR-SERURE: That's why it was mentioned the other night.

MR. FEUER: So, you -- I think that's what you understood, correct?

(Crosstalk)

MS. GARGIULO: I think --

MR: SROUR-SERURE: -- over there or am I? I mentioned over there that I, the way it was brought up to us --

MR: SERURE: I understood that we didn't have to pay any rent during that period.

MR: SROUR-SERURE: Correct. Ninety days. They have it operational that we were --

MR. FEUER: So, the way how to get to this point is the way how I just described --

MR: SERURE: Meaning, how he told you that there's a whole system behind him, this is the method to get that done. So, in that first week, you send out the --

what's it called -- the letters, and first condition, like your saying --

MR. FEUER: Yeah, it gives us free rent.

MR: SERURE: -- give us free rent for the next three months.

MS. LAUSTER: Yeah.

MS. GARGIULO: So, we --

MR: SROUR-SERURE: That's not the way it was mentioned out there. That's not the way I understood it.

MR: SERURE: He didn't imply that there was method behind it.

MR: SROUR-SERURE: I understood that there was -- it's going to be done from court. The courts would force them over there to continue for three months free. Now, you need to go and negotiate so we get those three months --

MR. FEUER: Yeah

MR: SROUR-SERURE: -- there's a difference.

MR. FEUER: Definitely different --

MR: STREADER: Tell you this if I can, is that -- so there losing some pretty big stores, hundreds of stores in Bed Bath and Beyond, and many of those landlords, it's a duel location. There's maybe no cohabitation adjacent, but its in the area. The landlords are going to be hurting. A&G said to me on several

locations, they do not want to lose you a 25 thousand square foot box. It's not easy to fill anymore.

Let's think about retailers or brands that are taking 25 thousand square feet. There's not that many. Nordstrom Racks around there. They want you because if you leave, it will take them a year to clean it up, paint it, and find somebody. They lose a whole year. You are in a good spot for negotiations. I believe it will be fine with the stores. If we decide to keep a location because it's not crime-ridden, and we like the halo of e-commerce, and we like the demographic, we'll be fine.

MR: SROUR-SERURE: What kind of a discount are you --

MR. DAHIYA: Estimating.

MR: SROUR-SERURE: -- estimating to lower on the rent size?

MR: STREADER: So management, through conversations with them, previously had given an indication of a 7.5 percent decrease. I think that that is just a placeholder that's out there, and I'll tell you, within a week after us winning this asset, and diving in with the team over at A&G, we'll have better indication. If I had any guess right now, we should just use 7.5 percent and know that there is so much upside of rent reduction opportunity.

MR: SROUR-SERURE: What is there fee, A&G?

MR: STREADER: I don’t know how many basis points they work on right now; I don’t know. I don’t know. I’ll -- I don’t have the proposal open in front of me. It’s a percentage, as many of these are, It’s a percentage of the rent reduction. They work. They are success-based.

MR: SERURE: And how are they paid?

MR. DAHIYA: Are you able to define the success or it’s --

MR. FEUER: Open.

(Crosstalk)

MR: STREADER: So, if they save this 10 percent -- I'm making this up -- if they save this 10 percent, they take 1.5 percent. I'm making it up.

MR. DAHIYA: Okay.

MR: STREADER: But it's success based.

MS. GARGIULO: Right. I think it’s also important --

MR: SROUR-SERURE: As based on the new lease, they will be taking one and a half percent of the total lease per store?

MS. GARGIULO: No, on the same lease --

MR. FEUER: On the same --

MR: SROUR-SERURE: I understand, but for the entire new lease that, we hope that we will have.

MR. FEUER: You mean for the period of the lease?

MR: SROUR-SERURE: For the period of the lease.

MR. FEUER: Okay. So, That. Jeff, I'm not sure --

MR. DAHIYA: Is it one year, is it two years, is it ten years --

(Crosstalk)

MR: SROUR-SERURE: Exactly, I don’t understand it.

MS. GARGIULO: I think one of the important things, also to understand, we’re requesting for them to give us the 90 days. If they come back and say no, they won't give us the 90 days to reject the lease; as Jeff put it, the letter will go out, that might change the view a little bit.

MR: STREADER: They are going to reject it. They already said they’re going to reject it. The estate is going to reject it. They don’t want to have that burden of leases. They’re going to reject it, and that is why we’re engaged with A&G, day one.

MS. GARGIULO: Right.

MR: STREADER: We hit the ground running.

MR. GANDHI: So, technically --

MR: STREADER: They're not going to accept the leases.

MR. GANDHI: So, technically, since we are still under that -- the company is still under Chapter 11 when A&G reaches out to this landlords, or the owners --

MR: STREADER: Yes.

MR. GANDHI: -- how long -- they have a time to decide and let us know before we have to decide our own way? That we need or we don't need.

MR: STREADER: It's during, it's during that two-plus month period. We're going to be able to make a decision pretty -- very quickly. We already know rev per store. We already know the e-commerce multiplier is at least 2x. We're working on a heat map right now to look at e-commerce revenue driven by a store, and we'll be able to evaluate that and then look at other demographic information that'll help us determine whether we want to be there or not. Including looking at crime. Looking at the competitive landscape. Looking at patterns of real estate in that area.

MR. FEUER: I think your question was, just like, we send out the letter, how long -- time - do we give them until they say, hey, Im giving you the next week three months free or not, right?

So, and I think this will be a very short -- I can't talk -- but it will be most likely a very short time frame. It's not just like, hey (crosstalk), we want your answer by the end of the week or -- Im not sure whether that realistic -- but, something shorter.

MR. GANDHI: And, if we say no to it, then we are not obligated for that lease at all?

MR. FEUER: That is our request. That we have the ability to reject leases --

MR. GANDHI: Ninety days.

MR. FEUER: -- within the first 90 days, yeah.

MR: SROUR-SERURE: I think that, right now, the whole structure has changed. The way it was brought out -- brought to -- was mentioned to us the other night.

MR: STREADER: Also, --

MR. DAHIYA: Milan, maybe it would be a good to go over the, how about -- how they are trying to structure the equity and all that and maybe go over it may --

MR. GANDHI: Yeah. I think we got a little side-legged.

MR. DAHIYA: Yeah.

MR. GANDHI: We started talking about the real estate right now. And, you know --

MR. DAHIYA: It's also, so, so --

MR. GANDHI: -- and Mr. Feuer is already talking about the structure --

MR. DAHIYA: -- no, no, so, so far from this. So, correct me if I'm wrong, looks like 50 is the number that, well, let's say, as of now, I don't know --

MR. FEUER: Yeah. That's the strategy --

MR. DAHIYA: -- is to be somewhere around --

MR. GANDHI: Start at 50 and then 60, 65, whatever we are saying right now.

MR. DAHIYA: But still -- what Christian was saying -- it's still good to raise 70. Okay, we're not time-bound, but yeah.

MR. FEUER: Yeah, Yeah.

MR. DAHIYA: You know, we'll, between us, well, manage that somehow, right?

MR. FEUER: Yeah.

MR. DAHIYA: But, okay. So, how does the structure look like, even if you keep 70? How -- were the --

MR. GANDHI: So, I think the board discussion we had the other day about this, we proposed that, to the equity that, you are participating with your money, right?

So, let's say if it is a [redacted] deal, and we put [redacted], for example, you are [redacted] of

the total. And, that is how the entire structure will come out to be.

But, again, with that, you know, there will be a rule specification as to who's going to focus on what because not everybody's going in one direction. You know, whoever is the specialty having different direction, the board will, you know, work out on their own decision making.

So, we take the sourcing side, they take the marketing side, the operation side is still there, and there is a technology side to it. So, those are the decisions I think that will be all happening as we get further into the --

MR. FEUER: Yeah, process. I mean, so, from the participation of the one side, I mean, it's accepted we work together. You have the clear capabilities to -- how to improve the business on the sourcing side.

So, I think from the other equity investors' perspective, we would expect for only one other partner, that would be the distribution partner, to have or be involved in the operating side. The other investors would be basically silent investors, that would be, for example, Perot, would have a representation on the board but --

MR. GANDHI: Yeah.

MR: STREADER: -- the detail --

MR. GANDHI: Right, right.

MR: STREADER: -- the detail of whatever, which software --

MR. GANDHI: Exactly.

MR: STREADER: The other areas, from the business perspective of whether it is marketing, IT, finance, and so on. That's where we, as the general partner, would supervise the execution of the business.

MR. GANDHI: So, when you say you will be a general managing partner, the way things are going to work. So, how would your role be different than the rest of the investors? Are we talking about some veto power, or are we talking about the collaborative way of making the call?

MR. FEUER: Jeff, if you want to talk about that? The role of the general partner?

MR: STREADER: So, so there is a board. There's a board that puts together -- the CEO of the company, and the executive leadership team reports to the board. The board approves major items, annual CapEx, the annual budget, hiring and firing of key executives, the strategic plan, the company, the CEO or president, Patty, assuming she stays with us, reports to the board.

Go Global, and the investors all participate on the board. That is the super veto power on the board. The

composition of that board depends upon all of the different people that lean in.

Go -- put that aside. That management of the major initiatives of the company, OpEx, and CapEx, hiring and firing, strategic direction. Go Global is the, is the general partner; Go Global drives strategy, transformation, and key initiatives that happen during this period of cut and stand up from a a company that's a part of a larger corporation to a stand-alone special purpose vehicle.

Go Global and the team of investors in digital, in e-commerce, in operations, in finance, and technology all lean in, evaluate management -- we evaluate managements skill sets, their work processes, their tools and drive that transformative change. At that point, Go Global manages it from the board level with all of the other board members.

It is our role to protect the investors' capital and to make sure that this asset delivers a return on investment that we have in our thesis and as we have done with Janie + Jack and will on this one. That's what our role is as a general partner.

MR. FEUER: So, maybe this --

MR. DAHIYA: Is there a fee for being general partner?

MR: STREADER: It's a Two and Twenty -- it's a Two and Twenty format, which is an industry standard. Its what, the way that the industry works, a Two and Twenty.

MR: SROUR-SERURE: Can you elaborate on the Two and Twenty? What does that mean?

MR: STREADER: So, there is a 2 percent administrative fee, management fee, administrative fee. It's charged to the company every month, and the 20 percent is the carry. The carry that in a post-sale, payback of the principle, of any interest pick (phonetic), and then you have the net proceeds after paying down any debts and any fees related to an exit in 3, 5, 20 years. And then those profits, we buy it for 10 dollars, and we sell it for 20 dollars, and after paying picking (phonetic) principle and everything, there's 7 dollars left over, we take 20 percent of the 7 dollars net profit.

After the investors get their money back, get their interest back, we pay for all expenses, we take the ups, the appreciation that we drove, and the LPs --

MR. GANDHI: And the LP credit, also.

MR: STREADER: -- get 80 percent.

MR. DAHIYA: On the net profit?

MR. FEUER: On the net profit, yeah, right. That's exactly --

(Crosstalk)

MS. GARGIULO: After all the investors are paid.

MR. GANDHI: Yeah

MR. DAHIYA: Right.

MR: STREADER: The investors, the limited partners, take 80 percent of the profit. We take 20 percent of the profit after you get your interest from your principal. That is not it's not something we developed. I'd like to take credit for that. It's been in the industry forever. It's called a Two and Twenty Model and you could research it.

MR. DAHIYA: And there's a fee for the whole bidding process, right? That you guys are charging.

MR: STREADER: So, there will be, okay, so there will be transaction costs --

MR. DAHIYA: Yes.

MR: STREADER: -- and the transaction cost is a whole group of people getting paid. Lawyers and Cora --

MR: STREADER: Finical advisors for the lenders

MR. FEUER: -- lenders who have a whole host, and we will get some fees as well.

MR: STREADER: And the fee that we get are diligence fees for technology, diligence fees for finance, diligence fees for -- its really normal fees to be able to dive into the process, evaluate the process, put together

the thesis, and go forward with it. It's, again, its standard.

MR. GANDHI: And all those are estimated as a part of move-forward finances, right?

MR. FEUER: Yeah, exactly. Yeah. And, probably, the estimate is --

MR. DAHIYA: Somewhere, I saw there is a [redacted] --

MR. FEUER: [redacted], yeah, and so we, I mean, so, with an auction, you never know. There might be more legal costs than you expect. So, we don't expect that we need the [redacted], but it's much better to have a higher estimation --

MR. GANDHI: Yeah, okay, it's a placeholder.

MR. FEUER: It's a placeholder.

MR. DAHIYA: And then there will be the specific?

MR. FEUER: Oh, totally. So, you will clearly see -

MR. DAHIYA: (inaudible).

MR. FEUER: -- in the data, right. So, there will be, at the end, there's something called the flow of funds, and that's exactly spelled out where all the money is going.

MR: SERURE: At 20 percent, is anything above that hurdle rate or like a benchmark that we identify as a service? Where we can actually quantify how much additional performance that was brought from you guys?

MR. FEUER: Yeah, so, there’s one hurdle. And the hurdle is that be fore we participate in any upside, is that the investors get all their money back, plus an interest rate that we need to discuss. And, then, everything post that, we participate in the upside.

MS. GARGIULO: That’s your hurdle rate, your interest rate.

MR. DAHIYA: Yeah, but still, there will be some success, right? EBITDA or something that we have to hit?

MR. FEUER: Okay, so --

MR. DAHIYA: To target --

MR. FEUER: So, the point is --

MR. DAHIYA: Like we got brought 2X versus --

MR. FEUER: Okay, yeah, the point is, we only have profits to distribute when we are successful.

MR. DAHIYA: Right.

MR. FEUER: If we are not successful, there is no money, right? So, it's just, yeah.

MR. DAHIYA: Less money profit; more money profit.

MR. FEUER: Yeah, right. I mean, so, I think, the, so, from an investor perspective, you get the invested money plus an interest, so that you're doing better as when you would have invested in the capital market. So, you're already, from that perspective –

MR. DAHIYA: So, whats the interest on the (inaudible)

MR. FEUER: We assume that it will be an 8 percent interest rate and that is paid in kind. So, it's not paid in cash. But it's paid out at the exit.

MR: SERURE: So, is this true for all partners, that any partners who are bringing more value or generating more profit, at the end of the day for the company, they are entitled to a percentage of that? Is that the way that this is going to be structured?

MR. FEUER: No, so, okay, so the way how it is structured, so, if you ask us, hey, we are adding all value and --

MR: SERURE: No, Im saying, let's say we have our way of adding value --

MR. FEUER: Yeah, yeah.

MR: SERURE: -- let's say, and we're able to quantify exactly how much value, let's say. Would we be also entitled to the same structure?

MR. FEUER: So, the way how it generally works, and I can't talk about exceptions, also, but the situation -- you're as an investor -- is different than generally how it works in the capital market. The underlying assumption is that, you add value without any doubt, but on the other side, you also generate a benefit for yourself by being a supplier to the business and having the ability to play a much bigger role than you have right now. So, there will be an indirect benefit.

To be quite honest, there's a little bit of a conflict in this situation. Because the other investor is saying, oh, okay, so whatever, so, it's like, we're sitting here and how do we make sure that our partners, from an equity perspective, are not up charging us, and therefore we're making less money so that they can make more money. So, this -- that is sort of the challenge on the other side.

There is the opportunity that you are, provide the benefit, and, so my expectation would be that the value you had and the value you receive as a supplier for your own product should hopefully make up for that and be worthwhile. Your investment on top of ultimately, I mean, if you are, what we discussed, [redacted] or whatever the number of the total is, you would be the largest

beneficiary of the investment. So, that's the way how its structured.

MR. GANDHI: Right now, the way that the financials have been done, right, I think 21 percent gross margin, what is the number?

MS. GARGIULO: (inaudible).

MR: LAPISH: Yeah, it's been --

MR. GANDHI: [redacted], roughly. So, what I think is tomorrow, with Mark's ability, this will become like a [redacted] instead of [redacted].

MR: SERURE: So, our profit margin is going to increase drastically.

MR. GANDHI: Yeah. So, what he's saying that, you know, you could also be one of the beneficiaries –

MR: SERURE: What we're benefiting --

MR. GANDHI: -- what you're saying --

MR: SERURE: What I was saying is what we're benefiting on this half will be constant whether or not we can implement those things in to the company. Do you understand?

MR: SROUR-SERURE: Of course.

MR: SERURE: We're selling X amount of goods into the company. We're making whatever it is on the sale on the Dream on Me side, but we're doing everything with

direct import and running costs and all that implementation, that’s a separate –

MR. GANDHI: So, that is what I am telling you. They know that 22 number becomes like 42 number –

MR: SERURE: Changes.

MR. GANDHI: So, how would that impact, you know --

MR: SROUR-SERURE: How would that be implemented to us? What are we benefitting out of it? You are looking right now at a 20 percent gross. All of a sudden, with the way we operate, you are in the 40 percent. What are we benefitting out of it?

MR. FEUER: I mean, so --

MR: LAPISH: In that case, as an investor, you’re going to see the benefits of that in terms of the cash flow coming out of the business, and at the end of the day, the valuation that you're able to the derive as growing your investment alongside other investors.

MR: SROUR-SERURE: If you're putting yourself on the Two and Twenty, don’t you think we should put ourselves on the Two and Twenty? Imagine like that if we are meeting those targets.

MR: SERURE: Especially if it's quantifiable. From my understanding, I'm not saying that -- of course, there's going to be dependent value, and that’s being

added (inaudible), but it's just that, okay, everybody's paid, we have this excess, we get X amount of it. It's not like there's a benchmark of what we're expecting to hit before we did anything, and now we came in and what we exceed; this is what we get, so, I'm not really --

MR. FEUER: Yeah, so, so I, okay, this is -- first, I have to say I have not been part of this situation where you would participate the same way. The underlying assumption is that your benefit, it's other than the investment, the ability to do business that's potentially, substantially larger business than what you would otherwise do, and therefore you have, I mean, yeah. I think it would --

MR: SROUR-SERURE: (inaudible) might cancel, I can tell you right now. I'm afraid that when the markets were going to know that I'm behind, that I'm from the inside, that I'm going to lose my account. If I'm losing my accounts, I'm losing the whole three-month business. What happened then?

MR: STREADER: It's one of the questions I have. There was a whole section where we would -- wanted to be able to ask some questions of you and, not only your earnings, and how to best partner with you based upon the skill sets in your company, and that's one of the questions that I have, is, you have a business with Amazon

and, I'm not sure if you sell to both Walmart and Target, and you have a reasonable business, and your Buy Buy Baby business, what does it represent? Does it represent 25 percent of your total revenue?

MR: SROUR-SERURE: No, it was nothing there, 10 percent --

MR: STREADER: Okay.

MR: SROUR-SERURE: And 8 -- 7, 8 percent --

MR: STREADER: Okay, so 5 -- okay, thank you. I didn't -- I wasn't aware or sure of that. So, Buy Buy Baby represents 10 percent of your revenue, and the question is, is now you have 90 percent of your business in the market. So, how will this impact your business? That was a question that we had and what we would want to do is we would to position you as a strategic partner providing the same value that you provide to Amazon and to Walmart.

We -- Go Global, as the operating partner, is driving strategy, a good, better, best strategy, product differentiation, customer engagement as the -- as the partner, you're a trusted partner, but you're not in front. We're not counting. Dream on Me is at Buy Buy Baby. You are a quiet, effective, and super-important partner, but we're not promoting you. We don't want to hurt your business. That's where Go Global comes in.

MR: SROUR-SERURE: We are dealing with a very, very small partner. Okay, then the news is going to come out immediately that we are behind. Is it from the US? Is it from overseas over there? It's a matter of time that everyone is going to know that I'm behind this whole project.

MR: STREADER: You're a partner, Mark. Correct, that's correct. And people will know, and that communication is important. How we -- how we -- the narrative

MR: SROUR-SERURE: Correct. I'm afraid, and I really don't know how the market is going to react to this. What would happen if Amazon or Walmart just decided to close the door? Okay, we understand right now you are direct -- you are a direct competitor to us over there. We're not here, we cannot, you know, we need to shut the door. What happen then?

MR: STREADER: So, What happens then, and that's the important narrative, that I believe, that needs to be scripted together, for you, in speaking with them, is that we decided that this was a tremendous opportunity to continue our relationship with Buy Buy Baby, in an ongoing concern, Go Global is from industry, they're focused on the digital side of the business, and we joined them as an investor producing what we have produced over the last

decade, and it will be nonconflicting or non competing with you. I won't share their financials; I won't tell them your stuff.

MR: SROUR-SERURE: Do you think they're going to go for it? Not at all.

MR. FEUER: So, there is a view in the past --

MR: SROUR-SERURE: Yeah. I'll put it to you this way: [redacted] for us, we did [redacted]. This year, we're going to close -- the market itself is going to be, going to be doing somewhere between [redacted] to [redacted]. In three years, our project is going to be a [redacted]-dollar company --

MR: STREADER: It's exciting.

MR: SROUR-SERURE: Now, what do I do with this business if Amazon or those other decide, you know what, Mark, we understand you are behind it, you are today -- you come to be a direct competition over here right now us, and you are affecting our business. And I know I'm going to affect their business.

MR. FEUER: So, there is an answer to this because all brands we're selling through retail ten years ago, were just brands. Today, they're all retailers. Every brand has their own website today. Every brand, not every, but better brands have their own stores, and I think from that perspective that they all compete with their biggest

customers, as they are trying to drive their online sales substantially. Ten years ago, 20 years ago, it would have been unimaginable. Today, it is, the way how I look at it, the standard procedure.

I don't know any brand really that doesn't sell, directly doesn't sell, but therefore competes with the other retailers.

MR: SERURE: So, you're a vendor account, you know, just selling your own stuff on your website; you're becoming a vendor in the entire market.

MR. FEUER: Yeah. And a lot of wholesalers do that

MR: SERURE: Yeah.

MR. FEUER: Because its just, I mean, this is where the market -- I totally understand your concern, Mark, without any doubt. But, on the other side, they can say, hey, 20 years ago, you were 100 percent right. Today, it is just, that's what happens across the board, everywhere.

MR: SROUR-SERURE: I'll give you an example. Take Amazon. Amazon, to me today is a [redacted] account a year. They would not allow us to sell our own products on their platform. We are two important of a vendor to them to allow the Dream on Me product sold under, what is it called --

MR. DAHIYA: Seller Central

MR: SROUR-SERURE: Seller Central. See, they're already putting restrictions on us.

MR. FEUER: I mean --

MR: SROUR-SERURE: Now, we have it, we have it right now, except for Walmart; we have it with Target, but they are watching us. They come and tell us, you know what, remove your products.

MR. FEUER: I mean, what --

MR: SROUR-SERURE: You see, there is issues over here.

MR. FEUER: I one hundred percent agree. I mean, so, one of the ways of getting around it, is what is what others do, especially for you as a wholesale, you sell under different brand names. I mean, your still the same wholesale, but it's a different name. I mean, that's one of the reasons why you created Avalor (phonetic), right? It's in order to distinguish yourself.

MR: SROUR-SERURE: A crib, it's a crib. A stroller is a stroller. When you retailer competing head to head with them and you are impacting, you are actually impacting their business. They are today -- they need to match your price point. You don't need to match their price. They need to match your price and your price. By

them matching your price, their margin are shrinking. They are analyzing what the heck is going on over here.

MR. FEUER: Okay.

MR: SROUR-SERURE: See, its just a matter of time before it is going to go up.

MR: STREADER: Hey, Mark, if I could share with you just a point of view that we've had for a long, long time, and this is something we actually looked at VF Corporation, where I worked for five years at Vanity Fair, VF, and it was called customer concentration risk. And at one time, VF had an enormous business with Walmart, and we looked at that and that business was approaching 40 percent between Lee and Wrangler, a couple of the big brands.

When I worked at VF from 2001 to 2006 and, the corporation made a really strategic move to reduce customer concentration risk to balance out our portfolio because if one day Walmart said, sorry, we don't want the Lee brand anymore, we were hurt.

Im just suggesting that I think that this move for you, for your company, is a good move because your customer concentration risk with Amazon; although it may continue, you may continue to have a business for the next ten years, there is risk if Amazon changed their point of view.

Buy Buy Baby, and this investment with us somehow gives you a way to begin to balance that. I would just ask that you consider it in that way.

MR: SROUR-SERURE: Can you repeat that, Im sorry.

MR: SERURE: He's basically saying you're not having -- you're dividing your eggs amongst investments --

MR. DAHIYA: Think of it in that Buy Buy Baby becomes a viable channel to safeguard your risk --

MR: SERURE: Risk. (inaudible) too much on one customer, so.

MS. LAUSTER: That’s the whole --

MR: STREADER: Thank you. Thank you for that. That was helpful, and that was correct. And it’s a way to mitigate risk by balancing your portfolio of customers. You balance it.

MR: SROUR-SERURE: You know, if there were more customers out there, we would sell them. The problem is that --

MR. DAHIYA: That’s what we are here -- that unfortunately --

MR: SROUR-SERURE: See, I'm looking at Amazon, Amazon today; they are taking us globally. They put it there – we are already in Canada, we’re in Mexico, we are in New --

MR. DAHIYA: Asia, Austrailia.

MR: SROUR-SERURE: Austrailia. New Zealand over there, Emirate, they are taking us, it's not that we want to, they just taking our products worldwide. So, yeah, there's a risk over here that --

MS. LAUSTER: What was your revenue at Baby?

MR: SROUR-SERURE: Pardon.

MS. LAUSTER: What kind of revenue did you have at Baby? Buy Buy Baby.

MR: SROUR-SERURE: What do you mean by revenue?

MS. LAUSTER: What were your sales?

MR: STREADER: Ten percent. He said 10 percent. 10 percent, he said.

MR: SROUR-SERURE: No, it did not (inaudible)for you. Somewhere around 7 percent. 7 to 8 percent at the highest.

MS. LAUSTER: Got it.

MR: STREADER: So, were --

MR: SROUR-SERURE: We're able to do more business with them but because of the credit issue, we slowed down. We were holding back. Because we were getting credit, for example, I think it was [redacted] a month. We were extending [redacted] a month, [redacted] a month. So, it give us a cap on how much business we we're able to do with them.

MS. LAUSTER: Got it.

MR: SROUR-SERURE: And especially after what happened with Toys R Us; Babies R Us we lost over there [redacted] dollars, we don't want to go into another issue like that

MS. LAUSTER: Yeah.

MR: STREADER: That's interesting. So, Toys R Us, you took a hit from Toys R Us?

MR: SROUR-SERURE: Yeah, of course, yeah.

MR. DAHIYA: Yeah

MS. GARGIULO: Babies R Us, yeah.

MR. DAHIYA: I don't think that anybody who took (inaudible).

MS. LAUSTER: Yeah, I mean, the vendors are going to be a little skittish about this.

MR. DAHIYA: Whereas I'm pretty impressed that the Buy Buy Baby situation, the numbers are not that high yet.

MR: SROUR-SERURE: We hold back, the whole year we just everything --

MR. DAHIYA: To everyone --

MS. LAUSTER: What were you doing before the credit issues at Baby? Like in a more normalized -- couple of years ago?

MR. DAHIYA: Probably 15, 20.

MS. LAUSTER: So, that's.

MR: SROUR-SERURE: It's still, its not a gain. There is so much we were able to grow with the Buy Buy. The focus wasn't outside, the focus was on Amazon. That is where they were able to make real growth. That's where Im able to sell merchandise, where I'm able to sell. They have everything under direct import without even touching anything. Everything is out; there is only paperwork.

MS. LAUSTER: Right.

MR: SROUR-SERURE: I don't need to bring the merchandise in, I don't have to store it, I don't have to ship it, there is a lot of factors in there.

MR: STREADER: So, Mark, I've been – and everybody in their room – we're not ready to announce yet, but we've been in conversations for Buy Buy Baby with an Asian distribution company. They're based in Singapore. They're currently a partner for Toys R Us. They have the distribution channel for Toys R Us and Baby R Us in Asia. We're in advanced conversations with them. We will go global with Buy Buy Baby with our distribution partner. And we will, by virtue of that, Dream on Me will go global through this relationship and not just Amazon.

We're not just thinking USA. Our plan initially, the finicial model you see, initially, is USA. We're in advanced international expansion conversations right now.

But we just weren't going to go there. We wanted, we got to get this, we got to take care of the front burner today. And, forge our partnership with Perot, with the others, with you, and get this deal done, then let's talk about strategy.

MR: CHEN: I want to make a quick suggestion. If the concern is the Dream on Me brand going out there, and this announcement, initially, may make others skittish, like the other retailers, is there a holding company, investment group company, or family office of yours that you would want to put this investment through, in terms of title? This way we can roll out your strategy about letting people know that Dream on Me is involved. Over time, later on, as you develop the different market segments.

But initially, for the first year or two, people won't know or or it'll go through a family office situation. Is that a feasible possibility?

MR: SROUR-SERURE: For sure its going to be under a different, under a different net. We have to put the Dream on Me there and hold it there. But, from purchasing -- and, you're starting to affect the market, they want to know it immediately, immediately.

MR: CHEN: I mean, how would you affect the market in the sense of -- the investor when they read the

announcement, the investment group will be very different. They won't immediately know it's Dream on Me.

MR: SROUR-SERURE: They're going to understand that we are behind it. Understand what I'm trying to tell you. You see Asia, as big as Asia is, it's a very, very small market, especially in our industry. You can count on your, what do you call it, on your two hands, how many factories are able to manufacture to the US market. We know them all

MR. DAHIYA: And have the capacity too.

MR: SROUR-SERURE: And the capacity.

MR: SERURE: But, they believe that you became a buyer for them.

MR: SROUR-SERURE: To who?

MR: SERURE: To Buy Buy Baby.

MR. GANDHI: To become like a sourcing agent for them

MR: SERURE: Yeah, something like that, but that's why they came to you for --

MR. DAHIYA: Yeah.

MR: SROUR-SERURE: Listen. It's a risk over here that you also need to consider. It's not a small risk, it's a whole risk, its your whole business. Where are we over here?

MR. DAHIYA: Yeah, we got distracted.

MR: SERURE: We were talking about (inaudible).

MR: SROUR-SERURE: So, basically, as I mentioned before, regarding the --

MR. GANDHI: Two and Twenty.

MR: SROUR-SERURE: The Two and Twenty over here that you guys are looking to bring it to yourself. Where are we coming in? Are we going to get additional margin? Additional gross margin?

MR. FEUER: So, I mean, Milan, we are not familiar with that concept or have not been part of that.

MR: SROUR-SERURE: You're coming up with that concept because you put it on the table, and Im trying to understand where do we fit in over here on that.

MR: SERURE: My understanding, the way it works is if we're doing something else, you're doing something else that extra and the business is benefitting from, there is a system in place for you to be compensated. So, I'm saying, all things being equal, why would that be isolated, this specific interest instead of that --

MR: STREADER: Yeah, so --

MR: SERURE: -- that's really the question.

MR: STREADER: Okay, so --

(Crosstalk)

MR. GANDHI: Is this a quantifiable objective here? If we have a financial in place to go forward

whatever X percentage, we are talking X plus X. I mean, that helped the entire company, yes. All the shareholders will be benefited. But, to achieve that X plus X, the entire DUM team will be like China for one year to do everything, organize --

MR. DAHIYA: Or whatever, whatever --

MR. GANDHI: -- and make it happen, right? So, for all those efforts and everything that happens over there to make this company a resounding success, than what we are even targeting today, how would those efforts be benefitting, you know, because of the ability, and because of the reason, and because, you know, something that we know better than most of the other people in the industry.

MR. FEUER: Yeah, again, repeating to some degree, this is like, I have sales for you, benefitting in the overall profit that we generate, the increased value. I think --

MR: SERURE: The higher sales for us is assuming our business with their other bank, other retailers is not affected.

MR. FEUER: Right.

MR: SERURE: So, I'm saying, that’s an assumption that we’re taking on.

MR. FEUER: Right. I mean. Ultimately it makes sense for you if you believe that the net gain is positive

for you. Otherwise, you wouldn't want to do that. So, I personally, because of the industry changed so much, I understand the concern, but – Amazon, I can't Imagine that Amazon would kick you out because if you're offering the best for the highest sale, and now, Amazon tries to sell what's selling best, and if you're the best seller, then they kick you out --

MR: SERURE: But that's also, that's our other side of the -- We know, they know, they need us.

MR. FEUER: Right. So, I --

MR: SERURE: I mean, there were times when we closed our entire business with them because they were making commands that we weren't okay with. We just closed down the entire account then come back.

MR. FEUER: Yeah. Yes.

MR: SERURE: So, we understand that your --

MR: STREADER: I think -- your comments are noted --

MR: SERURE: -- retailer, its not going to be different than you just being the vendor.

MR: STREADER: We absolutely agree with your point of view and cannot guarantee that you won't see erosion from Amazon. Cannot. And if that's a risk that's too big for you, that if you invest in this project, that perhaps in the future, Amazon is going to cut you, if

that’s too big of a risk, then this deal, this project is not for you. That’s the sum of it. If you want to, the sum of 1 plus 1 equals 3, where you can maintain and continue to show your value at Amazon, as you have, as a valued partner, and now you invest in Buy Buy Baby, 1 plus 1 equals 3.

We’re saying that we are going to grow this business into a billion-plus. We would love to have you in the boat with us because we’re going to drive global digital strategy, and we would like you with us, but we can’t guarantee that Amazon won't reduce your business, and you don’t know either. We are asking you to join us.

MR: SERURE: Correct. We understand there are no guarantees. But, what we are saying is our business with Amazon does erode -- so, Christian is bringing up the point that we’re going to be benefitting on this end, right, so; therefore, that'll, like, balance things out for us. But, if we are affected, so that would essentially mitigate all the benefits, and we’d be left with nothing, and we -- if we are going forward would be taking that risk. But for our entire compensation to be on the other end where its in the air, you know what I mean? I don’t think that’s --

MR: SROUR-SERURE: That’s fair to us.

MR. FEUER: So, part of the --

MR. DAHIYA: Yeah, I think so too. There's a gap that is there. Is that you took from (inaudible) -- what Mark is sitting or where you are sitting, is that we are also, in all honesty, operating partners, right? So what we are saying is we want to be in that similar position as you guys are, right.

MR. FEUER: Yeah. I mean --

MR. DAHIYA: You guys have done a lot of work now, and of course, you'll have a very important role to play going forward --

MR. FEUER: Yes.

MR. DAHIYA: We didn't start at zero, but again, we all have targets, and as your partner is meeting those targets, everyone will benefit, then there is a, there is a value.

MS. LAUSTER: Maybe before we talk about the numbers, we should talk about the scope? What role do you envision having, and you know, how could you add value? I mean, you talked about, you know, improving margin; how exactly are you going to do that, and how measurable and discreet would that activity be? And then we can talk about the numbers that makes sense, right? Because I don't think we can fully flush that out.

MR. FEUER: I mean, so, to some degree, in order for everything to work, it has to work for everybody, and

everybody is not just us here. Other investors have to also say, wow, that makes sense, because I --

MR. DAHIYA: You have 6th Street corners to join you, as they should.

MR. FEUER: So, that's -- in the end when we talk about the Two and Twenty, that is a model which is established in the industry, so this is this. So, we are not coming up with something that's --

MR: SERURE: Also, for Two and Twenty, it is established when there's a benchmark, and then that 20 percent is based on what exceeds the benchmark. From my understanding from you, you're not looking to identify a benchmark and just base them after everybody is paid.

MR. FEUER: Yeah.

MR: SERURE: So, I'm saying that's different from the standard.

MR. FEUER: I mean, so, this is for how we have done our other deals.

MR: SERURE: And I'm saying it's not, it's not necessarily the standard. It's about quantifying this additional value that you're bringing, isolating that, and then getting paid, right?

MS. LAUSTER: So --

MR. DAHIYA: Yeah, so, their also getting paid, right?

MR: SERURE: No, yes. But I'm saying they're getting paid on the gross, not on the isolated additional value that they're bringing, which is the standard.

MR. FEUER: The underlying assumption is that we are obviously not getting all the benefits. We participate in the benefits for the value that has been created. Your point, your saying is there has to be a top-up. Just getting the money, plus an interest bank, an additional hurdles, so, -- and that's, you know --

MR: SROUR-SERURE: See you have to look at it from a, you need to put -- look at it from a different perspective over there. You cannot just look at it as global; how is globalists benefitting out of it?

MR. FEUER: Well, we don't --

MR: SROUR-SERURE: How are we going? We are coming in over here right now with you as a partner.

MR. FEUER: Yeah.

MR: SROUR-SERURE: How are we benefitting with you at the same time? That's how you have to look at it.

MR: SERURE: So, you want us to be incentivized to be -- the same way that we would want you to, also. You know what I'm saying.

MS. LAUSTER: I mean, to go back to my question, now. Like, what is, what extra value would you be brining

in? How would you be doing that? How would you quantify that?

MR: SROUR-SERURE: I thought it was mentioned the other night --

MS. LAUSTER: Right, but let's, not everybody in this room --

MR: SROUR-SERURE: -- also, on the Zoom call, that we are, what do you call it, -- you guys know how you put it in (inaudible).

MR. GANDHI: No. I said it, remember, what we are saying is that if the projections are made for X percentage gross profit, right, which is like six minus, you know, purchasing through UGS, and if Mark's ability is to make it double X, right, so let's saying bringing everybody to 40 --

MR: SERURE: We're bringing everybody to the benchmark, and now we're exceeding the benchmark.

MR. GANDHI: Exactly. So, then, at this additional 20 percent that we are generating as a new goal, what part of the benefit will go to the people who are making it happen for the company?

MR. DAHIYA: Because (inaudible) was already there.

MR. GANDHI: Your entire financials are made on an X right now, right. Now, if that X becomes a double X, whatever.

MR: SROUR-SERURE: It's much, much less than that.

MR. GANDHI: And it’s a quantifier. See, one of the reasons I.m asking is because it is a quantifier. It.s not an abstract thing --

MR. DAHIYA: It’s a number that you can -- so, Deborah would be the person who would know the number.

MR. FEUER: So, taking it maybe one step further, maybe it's easier, you make a specific proposal where you say, hey, this is part of the distant plan if this and this and then -- because it's difficult to talk about something so, -- but there's something concrete. What I'm trying was trying to say, also, is we have to make sure that the other investors don’t suddenly think, because, I mean, whatever you get, I mean to say, whatever we get, we take away from you, and all the other one. Whatever you get in addition, you take away

MR: SERURE: I'm saying we're happy with you getting compensated because everybody benefitting around additionally. I mean, being an investor as, say, if I was a third party, I would want another investor to be able to bring in that additional value, and okay, yeah, Im not

going to get all of it, but Im going to be making more than if they weren't in play

MR. FEUER: So, that's what I'm saying. It might be better in order to move on to the next point that you make a proposal, and we will look at it and make sure that other investors feel, well, this works. Because it has to work for everybody. I mean, so –

MR: SROUR-SERURE: You know yesterday we had, we had a meeting with Patty --

MR. FEUER: Yeah.

MR: SROUR-SERURE: -- and she is the right person.

MR. FEUER: Okay, good.

MR: SROUR-SERURE: I like her very much.

MR. FEUER: Okay, good.

MR: SROUR-SERURE: Very, very open-minded over there.

MR. DAHIYA: If that didn't go well, let me tell you --

MR. FEUER: Okay, good, good, yeah.

MR: SROUR-SERURE: We had a very good meeting. What was that she mentioned in the end? There is a lot that she needs to learn from me. She mentioned that three different times in our conversation. So, for her, in her position, with what she knows, she telling me that there

is a lot that she needs to learn, she -- there is to learn from me, it'll mean something, you understand me?

MR. FEUER: And we all believe that. I mean, I just have to look at this building, and there is something I should learn from you. So, but for her, specifically, really, I'm very happy that you like her as well.

MR: SROUR-SERURE: She is very, very young. I mentioned when we spoke I told you the Asian lady she is working together with them.

MR. FEUER: Right, yeah. Firstly expressed it --

MR: SROUR-SERURE: I didn't know who --

MR. FEUER: Yeah, right, yeah --

MR: SERURE: It mention the age on the title, that's why.

MR: SROUR-SERURE: What?

MR: SERURE: We made an assumption based on the title. They said if they were good, would the company be in a better position? And, then, when we found out who that individual was, no.

MR. FEUER: Okay, so, why don't we make a, just put this, this very simple -- and then we will see whether we can figure this out. I mean, in the end, that's what it is; we need to figure stuff out, right, so.

MR. GANDHI: Do we want to take a break for 15 minutes to talk about it?

MR: SERURE: Yeah, we can take a break and stretch.

MR. FEUER: We can take a walk through the warehouse and admire it.

MR. GANDHI: You can start selecting the products.

MR. FEUER: And you don’t have to be concerned that I walk out with one of your boxes.

MS. GARGIULO: That’s funny

MR. GANDHI: Baby shower. Who said that, baby shower? You are going for the baby shower, right?

MS. GARGIULO: Yeah, Im going for a baby shower.

MR. GANDHI: So, she will be selecting the products.

MS. GARGIULO: (inaudible) registered at Buy Buy Baby, and I said, Im going to select your product when I go to give the gifts.

(Crosstalk)

MS. GARGIULO: I’ll go to the store.

MR. FEUER: Okay, I have to carry it to the car and then.

MR. DAHIYA: But the product is so big, you can't go anywhere. That's very, very confident. Very confident, you know.

MR. GANDHI: You might need to take a container with you.

MR. FEUER: I have to make sure I step into the right car because it's actually looking exactly the same --

MR. GANDHI: They took measurements for it, then go inside.

MR. DAHIYA: There was once, I remember, our product won the WB Center award, and the lady had come down to our warehouse to pick up the product, and I told her, it's big, you know, it's not going to fit. You know, I have an SUV, so she comes in, and is like, how the hell is this going to fit into this? So, finally, we had to strap it on the top of the SUV.

MR. FEUER: Oh my God.

MR. DAHIYA: Yeah, and she went to New York.

MR. GANDHI: Can you join them first? They are waiting for you first man.

MR. DAHIYA: Yeah, okay.

MR. FEUER: So, Milan, tell us --

MR. GANDHI: What should I tell you, tell me?

MR. FEUER: So, how do we overcome that?

MR. GANDHI: I think, you know, this is more like a (inaudible) content for us. You go, whatever you decide to do -- a part of it, if it is allowed to them, as

a fees or something, especially after hearing the Two and Twenty which is -- that said he is an entrepreneur, he doesn't understand the corporate world, the way that we all understand it, right.

MS. GARGIULO: Right, exactly.

MR. GANDHI: Because we go through this quite often in our life cycle. So, and yes, I do agree that, you know, he has that ability to do. Not only that, but he was also telling me yesterday about the increase being paid up from 30 to 60 to 90 or so for vendors. So that, you know, we can conserve the cash or preserve the cash for, you know, activities that we want to do with it.

MR. FEUER: Yeah

MR. GANDHI: Right. So, he feels very confident in brining these things for the company, for the people. But he feels that if I make all this effort, you know, doing everything that we are talking about from 20 percent to 30 percent to 40 percent or whatever the numbers are, how do I participate in that? And it's a logical question. On the other side of it, we are worried he's also wrried about losing some business to the competition.

That is also one way of looking at it, that, you know, if the new cost shuts him down somewhere else, which is, in my mind, it is unlikely, that that can happen that way. But today, you know, you never know, you never know

when the retailers think something and your relationship suddenly goes sour, right?

MS. LAUSTER: Sure

MR. GANDHI: And they start talking to you like, whether you want to hear about it. And, you know, If you're a start-up or a 50 million-dollar company, yeah, I can understand, it's not that big a problem. Somebody between 200, 250 million dollar businesses is definitely concerned about this and what might go wrong.

MR. FEUER: Yeah

MR. GANDHI: And maybe at some point, you know -- and, you know, the industry is small, right? Like, you know, in every industry, there are only ten big players. So, everybody knows everybody else. When you do, or try to do something, you know, behind somebody's back, you can't keep it for long there.

MR. FEUER: Yeah, yeah, right.

(Crosstalk)

MR. GANDHI: Somebody will say you are doing this and then you get exposed, right?

MS. LAUSTER: The other side of the equation is, is it going to be hard to bring the other vendors back if you guys are known as the owners, right?

MR. GANDHI: I don't think the other vendors --

MS. GARGIULO: That's another issue

MR. GANDHI: You see, what happens is that -- we are strong. These people are strong and dominant in certain categories, not all categories, right?

MS. GARGIULO: True. But, what about other crib manufacturers? Are they going to be --

MR. GANDHI: See, they should be open to all these things because, see, we are only dealing with ten different cribs, and there are 30 in the market, then the other 20 have to be sourced somewhere, right. Whether it be manufactured or somebody else manufactured. But, because you know who to negotiate to people with the pricing and you and you know exactly how much it should cost, they cannot charge you what they're expecting to charge otherwise.

MS. GARGIULO: Yeah.

MR: CHEN: Let me ask you a question. I mean, it probably would have considered it in your earlier stage to even consider buying Buy Buy Baby, so why is it a concern now if it wasn't a concern earlier when you were looking at the business alone?

MR. GANDHI: Well, that's a question Mark can answer you because this is something that he thought about it today, or maybe yesterday, when you were talking about all these things and It's people. So, you can ask that question to Mark when he's back here. The other thing in

my mind was that probably we can be thinking out of the box, you know, DOM can start as a supplier, but with a fixed pricing -- for entering as an investor a few months down the line.

MR. FEUER: I mean, there is actually, so, there's a -- we need cash now, right.

MR. GANDHI: Right.

MR. FEUER: So, there is -- so, this is something, while you're saying this, its always good talking about it, there's a way saying qualifying this, this is the loan --

MR. GANDHI: Yeah, that, so --

MR. FEUER: -- It's a loan --

MR. GANDHI: -- it's a different way you can do it

MR. FEUER: Yeah.

MR. GANDHI: Let's say, for example, they supply, first time, 5 million dollars of inventory, right --

MR. FEUER: Yeah.

MR. GANDHI: And then normal pay turn is 30, he will say, you know what, for 120 days, don't even --

MR. FEUER: I mean, there's a difference, so, there's a 25 million dollar contribution, and we call them

MR. GANDHI: Income, so, products and then --

MR. FEUER: No, No, right, in cash. So you could provide 25 million dollars of cash, and this is because Buy Buy Baby is an important business. They believe in it. They want to keep the sales channel going, and therefore, they support this business and provide the room to the business, and that loan maybe has clauses, so, where you're not an owner of the business --

MR. GANDHI: Exactly.

MR. FEUER: But we treat you --

MR. GANDHI: We do all that, yes.

MR. FEUER: -- but we treat you as one, so therefore, it's more like, hey, I mean, I'm just, et cetera, and I do a service to the retail business and all your other guys so that you can keep this sales channel going.

MR. GANDHI: Like, you know, you can, you know, look at the water in a few months as to how these things are happening also at the same time, right? So, yesterday I was talking to Sue about it for the venture on the Bed Bath --

MR. FEUER: Yeah, Yeah

MR. GANDHI: And she told me the same thing, but she said that now the consensus advisors is also getting into it.

MR. FEUER: Who?

MR. GANDHI: Consensus advisors from Boston.

MR. FEUER: Oh, yeah, I know them very well.

MR. GANDHI: Yeah, I know Michael O'Hara.

MR. FEUER: Michael O'Hara, yeah.

MR. GANDHI: So, she told me to get in touch with hIm also, now, about the Bed Bath side, not for our purpose, but for the Bed Bath side.

MR. FEUER: Ah, okay.

MR. GANDHI: They are trying to bring in something from the consensus.

MR. FEUER: Okay.

MR. GANDHI: But I'll show you.

MR. FEUER: Yeah, okay.

MR. GANDHI: If you, definitely you can visit the warehouse if you want to.

MR. FEUER: We're hanging here, so.

MR. GANDHI: Yeah

MS. LAUSTER: I mean, this -- I'm not surprised, I knew they were going to push back.

MS. GARGIULO: I think they just don't understand the problem. They don't understand --

MR. FEUER: No, they, they're big fish they totally, it's very simple, they --

MR: CHEN: You're on mute, Jeff.

MS. LAUSTER: We didn't touch anything

MR: STREADER: Is (inaudible) in the room?

MS. LAUSTER: No, nobody is in the room. Matthew is shutting the door so we can talk freely. We believe we can talk freely.

MR: STREADER: So --

MS. GARGIULO: We believe we can talk freely

(Crosstalk)

MR: STREADER: So, a couple of quick things. They are not the largest supplier of furniture at Baby; they are number three. They are not considered a critical vendor; they are an important vendor, they're not critical. The value that they bring to the table, even after we grow the business, is in a small world. It's the furniture. It's a small world. It is not in other parts of the business. It's certainly not in commercial, digital (inaudible) --

MS. LAUSTER: Too much

MR: STREADER: We need to manage our position

MS. LAUSTER: They're outdoors, so they are definitely not hearing us

(Crosstalk)

MS. GARGIULO: We lowered you just in case, but we'll make you --

MR: STREADER: So, the bottom line is, we all know that Go Global brings a vast, a vast amount of skill

sets and people to the table all across, all across the operation, including in supply chain and the product that they produce for the company, the product that they produce is one small product. It may be substantial. The furniture may represent, and what they can produce may represent 10 or 15 percent in cribs, but it's not critical to the future of the business --

MR. FEUER: That's not his point.

MR: STREADER: (inaudible).

MR. FEUER: That's not -- Jeff, that's not his point. His point is that

MR: STREADER: I get what his point is. His point is that if I come with you, Amazon could cut me off --

MR. FEUER: No, no --

MS. GARGIULO: That's not his point --

MR. FEUER: So, he, sorry -- his is that I will reduce your cost of goods

MS. GARGIULO: Right.

MR. FEUER: For all products because I know how to do this.

MS. GARGIULO: Yes

MR. FEUER: And therefore your margin will go from 30 to 40 percent, and therefore, I add 10 percent of

sales to the bottom line, and I would like to get incentivized for that is his point.

MS. LAUSTER: He’s not a passive investor like Perot would be.

MS. GARGIULO: Exactly

MS. LAUSTER: He's going to be an active investor actually doing work, contributing.

MR. FEUER: Not like we --

MS. LAUSTER: Correct.

MR. FEUER: He just focuses on one specific area, he would like to participate in it.

MS. LAUSTER: So how can he get some benefit from that versus what Perot is getting? They’re just writing a check.

MS. GARGIULO: He is just looking for a little bit of additional upside. It’s the way I'm seeing it, too. Because he feels that everyone will benefit, but hes putting in, he’s putting in the late work.

MR. FEUER: And so --

MR: STREADER: That’s how he should be. Can I remind everyone that this is a marketplace and that they are buying branded products from the marketplace. He is not going to be able to impact the 92 percent of the business. He's not going to be able, it's not going to happen.

MS. LAUSTER: What if we put some hurdles in place, so sort of, you know, incentives, that if he does achieve it, then he gets that.

MR. FEUER: Yeah, exactly, that's why I asked him to put a proposal in front of us and say, hey, if he adds 10 percent of margin, then I would be super happy --

MS. LAUSTER: Yeah.

MR. GANDHI: And everybody else.

MS. LAUSTER: Just as long as you can put measurable metrics.

MR. FEUER: And that's what I'm saying. I think we should move on. Let him make a proposal and then -- but, Jeff, you're right. I mean, so what about Greco, is something different? Because it's Mark, but maybe he can, I have no idea. So, we all don't know

MS. LAUSTER: Yeah. So just, you know, it's a success-based kicker. You know.

MR. FEUER: Yeah

MS. GARGIULO: Is the gentleman next to you Amid (phonetic), I forget who is who. So, that Amid (phonetic), and that's Milan.

MR. FEUER: Milan, Avish

MS. LAUSTER: Avish

MS. GARGIULO: Avish, okay got it.

MR: STREADER: So, I'm --

MS. LAUSTER: Avish is (inaudible) son, right?

MR: STREADER: So, just want to remind you, when you all leave here today, if there is not a commitment today, we're moving to Plan B. They're out. They've got to commit today. You all know that.

MR. FEUER: Yeah.

MR: STREADER: And we're meeting, we have a meeting with Andrew, Christian and -- and Deb and I have a meeting with Andrew, it's 12:30, in four hours, and after that meeting, which is a short board update, one hour, we are going with Andrew, we're talking about Plan B today. They have to commit, sign the letter today, and talk about putting the deposit in, and -- we are having the same conversation with Perot, that is what we tell them.

And, if they need time to think about it, Im sorry, we're going to move forward and do it ourselves. We need it today. You all know, Kathleen, you know that.

MS. LAUSTER: Yeah, I know. I 100 percent know, and it's the appropriate time. We'll make sure they know that we are considering other options and, you know, time to commit.

MR: STREADER: And if they commit, I'll come to New York next week or come to Somerset next week.

MS. LAUSTER: Great.

MR. FEUER: That's good (inaudible).

MS. GARGIULO: I also, because I saw the notes going back and forth with Thorne (phonetic), I told hIm just to tell them that hes on call. He's on call in case we need him for this meeting. He shouldn't necessarily cancel or do anything right now. He's just on call.

MR: CHEN: He doesn't. He doesn't need to cancel. There's no red flags; just postpone it. I mean, he could be in a TSA meeting or something. I mean, it's not that critical.

MS. GARGIULO: Exactly. Okay. So, he took it the wrong way; I'll text hIm.

MR: STREADER: All right, this meeting is, according to the screen, there's five minutes left. You all have been there for two hours; it was only scheduled for two hours. I guess that they're going to come in and they're going to throw some, very strong demand, and then Christian, we're just going to basically say we're willing to share on the upside with you, with hurdles, with what you can deliver, but it's a Two and Twenty model, and we would like to have you, and if you're not interested in this, if this is not if its something you're too worried about losing you're Amazon business, we understand that; we're going to move on. We got to be willing to say that today. And they'll be calling Kathleen in three hours.

MS. GARGIULO: Okay.

MR. FEUER: Okay. So, do we have the revised letter the way how we can share it with them?

MS. GARGIULO: Let me see if --

MR: CHEN: It's in the email. It’s the SPR version two.

MS. GARGIULO: Okay

MR: CHEN: Yeah, very important to you guys

MR: STREADER: Is it --

MS. GARGIULO: Is it -- Christians on that email, too? Or is it -- I’ll pull it up on my computer.

MR: CHEN: I did an all-reply, so everybody on it.

MS. GARGIULO: Thank you, Yuen.

MS. LAUSTER: So, Christian, I saw the updated term sheet today, but what I didn’t see was the sources, you know, not because it's not on there. Twenty-five is what we’re asking for them, for the --

MR. FEUER: Yeah. And so, we don’t want to raise less equity if we have more equity because we don’t know what we’re --

MS. LAUSTER: Agreed. Now, yeah. And I don’t know --

MR. FEUER: And so, what?

MS. LAUSTER: I always lean on, like, asking for more and then, you know, oversubscribed, and that's brilliant.

MR. FEUER: Because we want to have all this for the stand-up because there's so much shit that can happen, and we don't know how to get stuff going and whatever -- (Crosstalk)

MS. LAUSTER: Absolutely. And you don't want to, like, Christmas tree shops. They ended up in bankruptcy; they're over-levered.

MR. FEUER: Yeah.

MS. LAUSTER: You know you don't want that to be the story of Baby.

MR. FEUER: Yeah, absolutely, yeah. So, from a pricing perspective, I think what we discussed makes sense, this -- before we came here. So, just making an offer of something, like, 45 or 50 or something around that, see how they get back to us, so --

MS. LAUSTER: I don't think, like, this whole, he's going to lose his Amazon business.

MR. FEUER: No.

MS. GARGIULO: I think --

MS. LAUSTER: I think that he's using that for negotiations.

MR. FEUER: Of course, yeah.

MS. GARGIULO: Its negetotians. Yeah, absolutely, absolutely.

MR. FEUER: The world today, everybody is selling to everybody, that's it.

MS. LAUSTER: Yeah

MR. FEUER: So, it's like, I mean, Amazon loses more if he says hey, Im not selling. I have the greatest cribs in the world and you can buy them everywhere, but just not Amazon. Amazon tries to buy every best seller.

MS. LAUSTER: Exactly

MR. FEUER: So, their concern is that they don't have them, the bigger concern -- but then the other way round.

MS. GARGIULO: Jeff, I think Jeff wants the room, but it's a negotiation. Agreed.

MS. LAUSTER: Agreed. Yeah, absolutely.

MS. GARGIULO: You know, negotiation better than everybody else, so what do I get?

MR. FEUER: Yeah, so when is our board meeting, Deborah?

MS. GARGIULO: Four-thirty. And I think I saw the documents going back and forth, but there may have been some issues, so.

MR. FEUER: You didn't get it ready, Deborah?

MS. GARGIULO: What do you mean?

MR. FEUER: I'm just making fun of you. Come on.

MS. GARGIULO: I got everything ready (inaudible) need to add some pages. Do you want, so, this is like an investor commitment letter?

MS. LAUSTER: Yeah, we didn't see that. I don't think we were in that exchange.

MS. GARGIULO: I did it last night(inaudible), so I sent you copies.

MS. LAUSTER: Yeah.

MS. GARGIULO: So, it basically has. It says right now it uses 75, but obviously that can change. The company would be like (inaudible). In your email, when you see exits, I put exit points, so, in this case, so this is the template; it has everything under 25 against whatever, okay.

MS. LAUSTER: Okay

MS. GARGIULO: Okay, and we changed the legal (inaudible).

MS. LAUSTER: So, are we going to be asking every every party to sign this by tomorrow

MS. GARGIULO: I think that is the intention.

MS. LAUSTER: Okay. Because what they're going to see isn't the entire bid --

MS. GARGIULO: I think for this part, you need to coordinate with Jen (phonetic)

MR: CHEN: Yeah, we are asking the other to sign it as well. Obviously, you know the condition that Perot has, right? We've gone through that over and over, not lead, not only win the vote, so that is why this meeting is critical.

MS. LAUSTER: Yeah, because I mean, it's just like, I think, you know Lazard's going to look at this, and they're going to want to see that whatever our initial bid is --

MS. GARGIULO: So, Yuen, with regards to the commitment letter, who's accumulating those? Would that be you, Kathleen, or whomever after we know what's happening here? How do, like, this --

MR: STREADER: Hello, everyone.

MS. GARGIULO: Hey Jeff.

MR: CHEN: I sent a commitment letter to Jeb (phonetic) and he's going to send it out to, you know, Jason and the guys, Jason and Kenny. But, we know the conditions that they have, but they're still going to show the letter, so you know, once this happens, then they'll sign it. That's the ask?

MS. GARGIULO: Okay

MR: CHEN: And Berkman's (phonetic), Berkmans going to, finishing up the shareholders' agreement, and we'll have that today too.

MS. GARGIULO: Okay

MS. LAUSTER: Because it is you know, Im just wondering if you, if Perot, might take another day or two to get to the table. Maybe you want to try to get these guys to sign the commitment letter, that, I don’t know, to get them to do that and commit to the entire bid, or whoever you’re, you know, however much is uncertain with Perot. You're expecting, how much from Perot? Twenty.

MR. FEUER: So, Perot can sign something which is contingent on something, so.

MS. LAUSTER: That’s true. That is true. You are right.

MR. FEUER: We are at this point, I mean, it has to be logical --

MS. LAUSTER: Yes. That’s true

MR. FEUER: It could be contingent on these guys committing.

MS. LAUSTER: Yeah. That’s a really good point.

MR. FEUER: Because they don’t want to be the lead investor, and so, therefore, I mean, it's another level of uncertainty. But, anyway, whatever we do has enough level of uncertainty. So, therefore --

MS. LAUSTER: Yeah.

MR. FEUER: The bigger question is, so, Kathleen, does the deposit have to be in tomorrow?

MS. LAUSTER: Yes.

MR. FEUER: Are you 100 percent sure?

MS. LAUSTER: Well, listen, Im not 100 percent sure, in a process that has moved the deadline four times, but, Im -- do believe; I mean, Matthew, tell me if you feel differently; I feel like I wouldn't be confident that --

MR. FEUER: No, Im not confident --

MR: LAPISH: (inaudible.

MS. LAUSTER: Yeah, it is due tomorrow. I mean, because on top of it all, like I said --

MR: LAPISH: There's a stalking horse, shows that there's an auction going ahead Wednesday --

MS. LAUSTER: That's going to happen. Yeah, and --

MR: LAPISH: You cant have the part, like, Friday has to be, Mondays a holiday. You can't have a deposit going Tuesday and hoping to get it on the point --

MS. LAUSTER: Yeah

MR. FEUER: Can't get a deposit on Tuesday.

MS. LAUSTER: I mean, we passed and --

MR: CHEN: I going to have to be realistic about the deposit then. If they're going to put conditions and hurdles for participating in management fee, then I don't know if we can get them to put a deposit by the end of

tomorrow. I mean let's think about that, right? We're asking them to come back to us with their hurdles and their contribution and we have to agree with it, and they're going to, they're not going to put the deposit before that happens.

MS. LAUSTER: Well (inaudible), we have to come to an agreement today, that's the whole point.

MR: CHEN: But that my point though, I mean, do you think that realistically can happen? I mean, Im just, Im throwing that out, I mean, if we go back and forth on hurdles --

MR. FEUER: So, I think it is probably not very realistic, but you don't know, right? So, I mean, since, I mean, so, let's go, go the other way around. So, Somebody has to put up the deposit. There are only two entites who can do it, and ideally together, and that would be Perot and these guys. So, collectively, I mean, I don't know whether one entity would put the entire amount up, I don't know.

MR. FEUER: I mean --

MR: STREADER: That's what we should ask for. We should say that Perot or -- asking them for the deposit. We're asking you right now to join us, us and to move forward.

MR. FEUER: Have we asked grOH! To provide the deposit by tomorrow?

MR: CHEN: No not yet. We're sending them, we sent them over the commitment letter, and then we're letting them know. But they've also said that they need to review it and they need to review the shareholders agreement. So, they haven't said no, but, at the same time, you know, they have their process too.

MR. FEUER: Okay.

MS. LAUSTER: We might get an agreement with them this afternoon. You know, if you can agree to some sort of an incentive for them -- the margins

MR. FEUER: Anything --

MS. GARGIULO: Let's see what they come back with --

MS. LAUSTER: Yeah.

MS. GARGIULO: Because it sounds like Milan was trying to creatively think of a couple of things.

MS. LAUSTER: Yes.

MS. GARGIULO: So, let's see what they what they come back with, and if its even within the range of possibility, for us. Because we don't know yet.

MR. FEUER: It as to work for Perot, for example.

MS. GARGIULO: Of course.

MR. FEUER: Not only for us, I mean, I am more concerned about Perot, and so -- have you ever done anything where one --

MS. LAUSTER: Yeah. I mean, yes, because if they're bringing -- first of all, even if they weren't, you know, bringing in whatever added value they're bringing in, just because they are the lead investor, they're the first investor, they're the one that Perot's not getting in unless they do, they could, for that reason alone, demand some sort of a, you know, more favorable structure. That's actually very, you know, legitimate way to think of it. You're giving them an incentive because they're the first one that are committing. And that's what you would tell Perot.

MR. FEUER: Yeah

MS. LAUSTER: Or, you could tell them whatever. You could tell them they're adding value. You figure out how to tell it to them.

MS. GARGIULO: The way that I read this, right, is that since they are not sophisticated investors and understand the model that we have, they're thinking more on the management side, like a management bonus incentive plan.

MS. LAUSTER: Correct.

MS. GARGIULO: It's what they're thinking in their head, not knowing -- they're also, don't -- all they're hearing is 20 percent, they're not hearing the fact that everybody benefits, and they benefit, like, quite a lot. They're -- and I think that they're only understanding that they get paid back their investment plus 8 percent. They're not seeing that it's growing --

MS. LAUSTER: Yeah

MS. GARGIULO: And that, so that's

MS. LAUSTER: Sometimes theres a bit of an education.

MS. GARGIULO: Yes.

MS. LAUSTER: That's why I wish we had this meeting two day ago, cause we really don't have a lot of time to --

MS. GARGIULO: Well, well then, they didn't --

MS. LAUSTER: I know. Its not our fault. It's not our fault we tried.

MS. GARGIULO: -- see us, right.

MS. LAUSTER: You know

MS. GARGIULO: So, there's an education, yes, but, and they're looking at it, from the way I read it, is that, again, what is a little bit of their upside because they're -- they feel like they're going to double the margin, so to speak, and then help us with freight rates

also, because he's mentioned that a couple of times. And what's their additional benefit. And you're right, Christian, it need to work for everybody, but that's where they're coming from.

MS. LAUSTER: Agreed

MR. FEUER: Okay so let's see.

MS. GARGIULO: So, they wouldn't even understand, right now, if you put in front of them a waterfall. They wouldn't even understand what that is yet

MS. LAUSTER: No.

MS. GARGIULO: But that's, so, they're only coming in from the point --

MS. LAUSTER: Do you think they'll know? I think Milan might, don't you?

MR. FEUER: Oh, you're absolutely right.

MS. GARGIULO: yeah, I think he, he's researched it

MS. LAUSTER: Yeah

MS. GARGIULO: I think that he could know this prior to today, but, he's researched it, yeah.

MR. FEUER: Okay.

MS. LAUSTER: Yeah, and just don't, let's not forget, this guy likes a bargain, and he wants, and he's

wants to feel like he's bargaining here for better terms or whatever. This is how he approaches everything.

MR. FEUER: He can bargain with us

MS. LAUSTER: I'm just saying, I -- Jeff, I told you this was going to happen the other day.

MR. FEUER: The last business we bought, you know how much we paid for it? Zero. Can't get a better bargain. So,

MS. LAUSTER: (inaudible) didn't even have this set up.

MS. GARGIULO: Im just saying. Im suspicious of them hearing us.

MS. LAUSTER: I mean, that's a good point, they could be listening to us right now. They're outside --

(Crosstalk)

MR: STREADER: I just want to remind everyone that they are a small part of the receipts, both units and average unit costs. They're a small part. We are grateful that they have a [redacted] company, that's [redacted] Amazon. They have customer concentration risk, honestly i would be terrified if I were sitting in these shoes --

MS. LAUSTER: Ssshh, okay

MR: STREADER: And I would --

MS. GARGIULO: Jeff, Jeff, Jeff

MR. GANDHI: Are you guys ready?

MS. LAUSTER: Yes.

MR: STREADER: An I think its fantastic --

MS. LAUSTER: Everybody is coming in --

MR. FEUER: Finally. It took us a long time to figure it out, but I think we finally figured it out.

MR. GANDHI: If, you figured it out then --

(Crosstalk)

MR. GANDHI: We have more questions than we started with.

MS. LAUSTER: That’s ok.

MR. DAHIYA: (inaudible)

MR. GANDHI: No, he -- they will figure out some sort of solution, so let them --

MR. FEUER: No, I was joking, so.

MR. GANDHI: They took us seriously, come on.

MR: SERURE: Because you were excited.

MR. FEUER: So we were looking forward to hearing from you, what you're proposing.

MR: SERURE: I think that all things being equal, that Two and Twenty for anybody who's bringing bad value with established benchmarks, to quantify the additional benefits that are being brought to the company, should be on both sides. And that’s the, we think (inaudible)is fair, frankly.

MR. FEUER: So, you would have to, please, explain how that would work. So, for us, I know how it works. How would that work from your perspective?

MR: SERURE: So, for us, whatever lets say we put together a proposal, we'll write down exactly what it is that we're able to off. There'll be an established benchmark, without, whatever we're able to contribute, that we'll come to an agreement on, something that makes sense, and everything that exceeds that, will be subject to the Two and Twenty, the Two and Twenty agreement, (inaudible) and once we establish the benchmark --

MS. GARGIULO: I don't know one of you guys.

MR. GANDHI: Sorry, so, he's not even snoring

MR. FEUER: Hurricane.

MR: SERURE: I think there should be an established benchmark to, not, just isolate and identify where is the line from no value being added to where is that value and then that added value should be subject to the Two and Twenty --

MR. FEUER: Okay. So maybe, I may want to put this into some numbers, also, so that we can, follow that, maybe not, you don't have to, let's say now, but does, like --

MR. GANDHI: (inaudible)I think its what conceptually what we are saying and what we were

discussing more, that if there is a Two and Twenty concept, which is an industry standard concept everywhere else, how do we participate into that Two and Twenty concepts also, right, Because we are also going to bring substantial value as a company. So, if there is a benchmark for Two and Twenty not two percent mainly, but for the 20 percent --

MR. FEUER: -- then the same benchmark, we can have it on the other side also, or the other side also, and the you know, we can all participate into the -- same way like you participate. So, let's say if you have a profit benchmark of 10 percent and then anything goes over that percent you get 20 percent first and the rest is distributed among the other equity partners. Same way if the gross margin benchmark is X and then it becomes X plus X, then how do we participate for the same investment, right.

MR. DAHIYA: So, in other terms whatever they're benchmark is, is shared and whatever your benchmark is also shared --

MR. GANDHI: It should be opened now on the paper. It should be on the paper that we write.

MR: STREADER: Our benchmark is delivering on the long range plan. So, lets make this up, that in year three, we have a net revenue of a [redacted] and

EBITDA of [redacted]. Our benchmark is delivering a [redacted] in EBITDA. If, at that same time, through your initiatives, your able to deliver [redacted] additional EBITDA through your supply chain disciplines, that you are asking to be rewarded, [redacted] of the additional inputters that we're delivering, and you'd like to have a part of our carry?

I think that Christian, Yuen, Deb and I would be open to that type of consideration. We're delivering a [redacted], on top of that, you deliver another [redacted] in profit, and you would -- therefore, [redacted] of the carry, of that particular, 9 percent of our carry, I think we could probably have a conversation about that. Christian, what do you think?

MR. FEUER: Yeah, right, I mean so, IM not sure that that’s sort of what he had in mind, but if that’s what he had in mind, yeah, absolutely.

MR. GANDHI: How do you quantify all this statement?

MR. FEUER: I, so, --

MR. GANDHI: Something that, you know, we would have to be very sure about the -- how you can arrive at something, right, to get that point.

MR. DAHIYA: Getting (inaudible) will depend on many things.

MR. FEUER: Yeah, right --

MR. DAHIYA: I just said, finally, it's not isolation

MR. FEUER: So, if you look at our plan, of course the plan is the plan, you never know, I mean it never happens they way how it said. But we are getting fairly, pretty close, but, so, you never know for sure. And so, in other words, we have in our plan some margin Improvement, and the margin improvement is mainly a function of, the way how we how we have, I think discussed, is that we believe we will expand apparel so that we have the ability to have some private label more, because right now most of it is branded, and that will give us the opportunity to expand the margin.

But it is, I thinks it's just like whatever, I don't know if Deborah -- if you have the VX in front of you -- I think we have one- or two-point margin from, what is it, 30 to 32, I think maybe from 30 to 31.5, something like that, and -- Now do we know exactly how we get there? No, of course not. We don't know how much apparel we'll really be selling, but we know what we will attempt. You're making this point that we can have substantial improvement from a margin perspective, but, one way of saying is, hey, if we go, instead of the one point improvement, that we have, we now have five points, we can

calculate five points over, what about, a billion dollars in sales, its [redacted], and that, so, I mean, so stuff like this, we definitely could do it, figure it out , then we share in the [redacted].

Yeah, I mean, we don't expect that the margin holds up that much because, we don't have the knowledge. So, when we put the plan together, we didn't, know that we might talk, so that, I mean that --

MS. LAUSTER: That seems fair.

MR. DAHIYA: I mean, see, when you measure buying, you can actually take on directly, the value. Like if you're able to buy a hundred, you're able to buy a repeat, that's like 20 percent direct advantage, right. It's an easy measurable instrument versus the other side, which is sale side, and then everything else, there's a lot of moving parts.

MR. FEUER: So, from our perspective, I mean, so our, what we believe we can do, so let us assume you're not in the boat, right, I mean we talked to Groh! and others, we are looking at the entire business from all its assets, whether it is, the technology, or it is how much discount we give, whatever, right now, they are running at 7 percent discount, we're planning to reduce this from 7 to 6 without losing any sales or even have, take it even further down. I mean, we look at every line

of expenses, on the side, or the efficiency, how it generates sales, or whatever it is.

So, this is so, we have this holistic perspective, and that all, we believe, will end up to get us to a [redacted] in sales and a [redacted] dollars in complexity put down. And part of this is an improvement of margin, but it is not the driver of the success. And so, you're saying we (inaudible) drive the margin substantially more, that there would be, believe -- I mean it falls directly to the bottom line, right.

MR: SROUR-SERURE: I wanted to understand something. If I cannot believe the amount of (inaudible), IM being upfront --

MR. FEUER: We don’t know what, you know, that’s the point, right --

MR: SROUR-SERURE: Again. I don’t have, IM open --

MR. FEUER: Yeah.

MR: SROUR-SERURE: My reputation speaks for itself. My company speak for itself, who we are in the market --

MR. FEUER: Yeah.

MR: SROUR-SERURE: -- you understand me. I know exactly what we are able to do and exactly how we are able to execute it.

MR. FEUER: And, so, I mean, based, I mean, you can figure out something based on the plan, where you just say, hey, if this is or that and then we, I mean --

MR: SROUR-SERURE: Do you want to make your life easier?

MS. GARGIULO: Sure

MR. FEUER: Everyday, but it doesn’t work --

(Crosstalk)

MR: SROUR-SERURE: Because I am not seeing you as an investor, and I do not seeing myself as an investor, we are actually working investors, but we are, technically we are married to each other.

MR. FEUER: Yeah. Oh, absolutely, yeah. We have to get along< hopefully --

MR: SROUR-SERURE: In the marriage there is no one better than the other, or one has a better percentage, or you have this, it's a negative marriage --

MR. FEUER: Yeah

MR: SROUR-SERURE: -- do the marriage upfront, together, equal you and us and I think you have a home.

MR. FEUER: Okay. So, as, understand, we are absolutely

MR: SROUR-SERURE: Because are we not keep talking about the one tier and the next one here, I don’t think its --

MR: SERURE: Makes sense

(Crosstalk)

MR. DAHIYA: By complicating it

MR: SROUR-SERURE: -- that's it. What's good for you is good for me, because I know you're going to do the best for your benefits, IM going to benefit from that.

MR. FEUER: Yeah. I mean, so that's -- if one of you wants to put this in, so if we take our model, how that you think this should look from a concrete perspective, that's --

MR. DAHIYA: Can you look at their -- and maybe a good idea just their financial structure that you have made for the deal.

MR. GANDHI: No, I think that Mark is suggesting very different --

MR. DAHIYA: No, just look at that --

MR: SROUR-SERURE: I'm say that get, get into this marriage over here, equal. What's good for you is good for me. What's bad for you is bad for me, from the very beginning --

MR: STREADER: Thank you.

MR. GANDHI: So, basically, its simply saying that we are equal on every aspect of the business. He doesn't want to ask you any more money, but whatever you guys are charging make us partner of that thing.

MR: SROUR-SERURE: Instead, if you want to, instead of you making it two, you want to make it five, 20 over there, do whatever you want to do. That’s fine with me, I don’t have a problem with that --

MR: STREADER: That is a problem --

MR: SROUR-SERURE: -- except for your investors over there --

(Crosstalk)

MR. FEUER: Okay, so Jeff, before I respond, so --

MR: SROUR-SERURE: Yeah, yeah, what you are saying, but

MR. DAHIYA: Yeah, my thing was that you can look at numbers and then you know what those numbers are, that why --

MS. GARGIULO: I think this is wasting (inaudible).

MR. FEUER: We can talk --

MR. DAHIYA: Or we can go out if you want --

MR. FEUER: So, okay, give me your response to this. In that sense unfortunately we are not equal. So, because we are not investing [redacted] and we are not having the benefit of hopefully we will grow our sales and Amazon will sell good at the same time, for us to make money, and this is the only reason why we're here is

because we want to make money, because, we want to save Buy Buy Baby, but in the end, we want to make money, all right.

MR. DAHIYA: It doesn't make sense, and you are responsible for the investors

MR. FEUER: Right, we're responsible for the investors, and so we invested a lot of time, and I don't want to have a soft story about how much time we've invested -- but that's what we, in order to get to this point, and for us, the only way how we will make money is when we are successful. Right now, we are out a lot of money --

MR: SROUR-SERURE: With me, you will be successful.

MR. FEUER: Okay.

MR. DAHIYA: So, what you'll think you are losing --

MR. FEUER: So, the point I'm making is, what you are asking, is that you, if I -- might be wrong, but that you will share in the what otherwise our upside would be. Let's see, if we make [redacted], you would get 5 million of that. So, that, of course, is not great from our perspective because we give something out, and so --

MR. DAHIYA: Unless you're making 20 and you're getting 10.

MR. FEUER: We still haven’t gained yet, so, right, so, then it's --

MR. DAHIYA: No one has gained yet.

MR. FEUER: Yeah, right --

MR. DAHIYA: We're all going to --

MR: SERURE: (inaudible) by gained.

MR. DAHIYA: Nobody has gained anything yet --

MR. GANDHI: But I know how to get them.

MR. FEUER: So.

MR. DAHIYA: Because it is all on the success, right?

MR. FEUER: So, what I'm saying is, so, if we in this model make [redacted], or a [redacted], or [redacted], or whatever the number is, right -- if I understand correctly, what Mark was proposing, is that marriage we share everything --

MR. DAHIYA: 50/50

MR. FEUER: -- you get 50 percent of otherwise, we would get. So, now we have 50 percent less because of the way, how we're going into this, and you have this in addition for your favor. So, for us to be equal to where we started out, we have to be double as successful as we otherwise would --

MR. DAHIYA: (inaudible).

MR. FEUER: -- what we would assume to be, so, for us to be in the same place. So, and that -- I, we believe we can be very successful, but being double as successful is difficult to imagine. And to some degree it, we believe that there are, as I mentioned earlier, that we will try and go after everything within the business, and I think, well, I believe he can add a lot, but I don't also want to discount what we are contributing.

MR. GANDHI: Or, you can look at it a little bit differently also, Christian, that, okay, you want to, you want to share into what you are going to make, 50 percent of whatever. Maybe you can suggest something that, you know, Mark can take it and manage better, management advisory fee or whatever on the buying side of it for helping the company to grow or whichever -- see, the nomenclature is not important, it's just about the number.

MR. FEUER: So, I think, I mean, whatever, IM throwing stuff out, I haven't thought about it, so, IM just responding to what you're saying --

MR. DAHIYA: You need an exceptional --

MR. FEUER: -- so, I, so, I have to be allowed to take back what IM saying right now. So, let's say so we can make the claim that our margin improves because our

costs are lowered by [redacted] a year, and you get X percent of that. That --

MR: SERURE: Ten percent of what?

MR. FEUER: It's X percent of whatever. We --

MR. GANDHI: Percentage is (inaudible) -- whatever you bring in, at least you get a percentage of that. Or, maybe you can look at it --

MR. FEUER: I mean anyway, I mean, so the point is IM trying to figure out a way, so, because it doesn't really feel great if your benefit is our downside, so --

MR. GANDHI: So, no time -- I'm just trying to make it a little simpler than that because, you know, there will be a lot of unknowns that we will be facing as we go forward, right? It could be supplying chain disruption, it could be geopolitical issues, managed risk, or whatever you call it. Instead of doing that way, right? What if you just bring it the other way round, okay?

If you are controlling 300-million-dollar purchases for this company, we'll give you X control of that as a management fee for your efforts because that makes it more simplified way of doing it, rather than saying, okay, is it 9.8 million or 19.9 million, whatever, that, number wise. Because it is easy to think about it right. You can say in the balance, okay, we brought 300 million, 250 million, Mark brought it, 50 million other

sources come out, so on the 250, he gets X percentage, and that equates more or less, it comes to where you are.

MR. FEUER: So, in other words, it's almost like an agency thing. Like a finance agency,

MR. GANDHI: Something. You don’t have to name it that way, but if that can --

MR. DAHIYA: It could be a management thing --

(Crosstalk)

MR. GANDHI: -- management is not important, but yeah --

MR: SROUR-SERURE: Just to make it -- of course.

MR. DAHIYA: You know, the idea is that --

MR. GANDHI: See the way --

MR. DAHIYA: The idea is that if you can get 100 markets for 120, that’s not ideal, right? You're not going to give --

MR. GANDHI: See the Two and Twenty model. The two percent is based on the assets under management, right. Whatever that number is, AUM, that’s how you normally have the two percent, right.

MR. FEUER: Yeah, right. Exactly.

MR. GANDHI: So, that is very easy to calculate or easy to look at it, okay. Today is a hundred, tomorrow it will be 150, then it will be 200, whatever. Same way, purchasing is very easy to calculate from the number,

okay. Total purchase is this much, then we become this much. So, you know, there is no post-discussion about these things again and again.

MR. FEUER: No, I, whatever we do, we should just have an agreement.

MR. GANDHI: Exactly.

MR. FEUER: Not every year we say, oh,

MR: SERURE: No, the status be very structured.

MS. GARGIULO: Everybody is looking at Milan.

MR: SERURE: He said that he thinks the other way was better.

MR. FEUER: Which is the other way?

MR: SERURE: 50/50 on the Two and Twenty. So, your saying 50 -- you're not doubling the business --

MR: SROUR-SERURE: One second, let me understand there. The Two and Twenty. The 2 percent, well, what is it exactly again --

MR. FEUER: Okay --

MR: SROUR-SERURE: -- that’s management fee --

MR. FEUER: Yeah.

MR: SROUR-SERURE: -- monthly management fee, correct.

MR. FEUER: Yes. So, what is -- this would be very specific. So, there's [redacted] invested, let's assume that the number, [redacted] of [redacted]

dollars, is [redacted] dollars. We will receive annually, [redacted] dollars.

MR: SROUR-SERURE: Annually?

MR. FEUER: Annually, yeah.

MR. GANDHI: Divide it by 12, the months --

MR: SROUR-SERURE: Based on?

MR. DAHIYA: The assets.

MR. FEUER: On the assets --

MR: SROUR-SERURE: So, on the original asset --

MR. FEUER: On the initial investment of 50 million dollars,

MR. DAHIYA: That asset doesn't change. It remains the same.

MR. FEUER: It stays, it stays the same. I mean, it's the equity investment.

MR: SROUR-SERURE: And the 20, what is the 20 again?

MR. FEUER: So, the 20 percent is of the profits at the time we sell the business --

MS. GARGIULO: Sell --

MR. GANDHI: Exit --

MR. FEUER: At the exit. So, let's see. So, our model assumes, but let's assume we will sell -- we buy the business of equity value of, let's say, [redacted] dollars. We assume we will be able to sell it for [redacted]

[redacted] dollars. What happens is: first, you get the investors the [redacted] bank. Then, an annual interest of [redacted], which is [redacted], let's assume it is five years --

MR. DAHIYA: Whatever, remove --

MR. FEUER: Yeah, so five (inaudible) is another [redacted], so there [redacted] to be shared. Of that [redacted], you, let's say [redacted] over [redacted], just -- its [redacted], you will get two, sorry, you will get --

MR: SROUR-SERURE: Forget about what we get. How does the 20 percent implement --

MR. GANDHI: So, [redacted] of [redacted] is [redacted] dollars --

MR. FEUER: Yeah, we would get [redacted] --

MR. GANDHI: And the balance would be divided by --

MR: SROUR-SERURE: (inaudible).

MR. FEUER: Yeah, so, exactly, and so --

MR: SROUR-SERURE: So, this only way -- that's only on an exit.

MR. DAHIYA: Only on an exit.

MR. FEUER: Only on an exit.

MR: SROUR-SERURE: Are we talking exit right now?

MR. FEUER: That, but, that's, we get only money when we exit.

MR: SROUR-SERURE: I hear you, but are we talk, are we looking right now to exit?

MR. FEUER: I mean, in some years, yes, yeah.

MR: SROUR-SERURE: Well 'til then, we'll worry about it then.

MR: SERURE: No, but he wants to have the agreement set up from the beginning.

MR: SROUR-SERURE: (inaudible).

MR. FEUER: But, for us, just to be clear, so we, of course, in this scenario, the way we make a million dollars a year, we don't get rich by that. We are, at one point, the intention of selling the business. Whether it's in five years or yeah, this is where we are really, I mean, participating. I mean, in the end, from an investor perspective, with you as well, I mean, this is how you really will make money. I mean, that would be, just to throw out the number, that would be, from your perspective --

MR. DAHIYA: So, by us saying we are [redacted], we are asking half of that --

MR. FEUER: Exactly.

MR. DAHIYA: -- during exit.

MR. FEUER: This is, right, exactly. But this would be from your perspective, of the, so it's [redacted], so, [redacted] the [redacted], so that's [redacted], you would've received [redacted] million dollar and (inaudible)you would've raised [redacted], and then you received already [redacted] plus [redacted], look, for the interest. So, you would have been at [redacted], and then you would have taken our [redacted].

MS. GARGIULO: Right.

MR. GANDHI: I like your truth telling.

MR. FEUER: And that's why I'm saying it. A solution where we figure something out, where it is not to the detriment of us. I mean, we want to make money. The whole thing is that you make money. But we don't want to, it's just, like, okay, we -- that doesn't feel necessarily very good.

MR. DAHIYA: So, from the optics, first thing is, from the optics, do equal partners matter, right. Keeping financials aside from optics, meeting and operating, equal partner matters, right Mark?

MR: SROUR-SERURE: Yes.

MR. DAHIYA: So, do we have a problem with that? That's the first thing. Let's remove the financials, right.

MR. FEUER: Okay, so, the question is, what does equal mean, right. Does equal mean 50/50. So, you take the

collective of all the area where we try to improve the business, so, compared to --

MR. DAHIYA: So, we could be playing the role, being -- I mean, we don't want to play the role, we don't want to play the roles, we are not there anyway, right, as equal partners, but yeah, we are participating as equal partner in operations, right. Forget the investment part, but let's say you are in the technology side, right.

MR. FEUER: Yeah.

MR. DAHIYA: Whether we can contribute or not, but oversight -- what you are having, we also have that, we also have oversight, right.

MR. FEUER: Okay, so, I mean, so this, I mean, so this is -- on the, one side of course, through board, you will have oversight anyway --

MR. DAHIYA: Correct.

MR. FEUER: And, then -- but what we don't want to do is, sort of, just like having oversight, hey, so, just like, we're making technology, we're using this, that you get involved into the day-to-day decisions are. As we would not want to get involved into the daily decision from a social perspective, because, we don't want to have a situation where everything you have is like the person who's responsible and then there's one of us and one of

you, and we all have -- I don’t think that’s a good structure --

MR: SROUR-SERURE: We are going to be doing what's best for the company. Regardless of urgency, regardless of technology, regardless of --

MR. DAHIYA: So, yeah --

MR: SROUR-SERURE: You understand what I mean? Because if I'm going to oppose into something that you are good at over there, you understand what I mean. I need to be stupid over there because technology is not my --

MR. GANDHI: Forte.

MR: SROUR-SERURE: My forte over here. I have to go where you are doing because I'm trusting what you are doing.

MR. DAHIYA: And we have to focus on what we are doing.

MR. FEUER: Exactly. Let them --

MR: SROUR-SERURE: Whatever your strength is over there, go with it. Whatever my strength is, let me go with it. Let me run with it. You understand me.

MR. FEUER: Oh, totally. So, I mean, we would say, I mean, if you take the entire company, you can say we have the sales channels which is store and e-commerce, it definitely, I mean, that what we are. We have the finance; we have for, I'm sorry, we have technology, HR,

so, and I don't know, I mean, this is generally where we are, whatever. We are the ones who are generally renegotiating or supporting the business. Supporting our new healthcare plan --

MS. GARGIULO: Right, and you're right. Not to take away from that or what your saying is that. From a stand-up perspective, there's a lot to do to stand up this company; like you were saying, from an HR perspective, from a technology perspective, just all the back office ends up.

MR. GANDHI: Yeah, absolutely, all the support staff up --

MS. GARGIULO: Right. So, we contribute to all of that, too, because we've done it. We've done it like, more than once. We've done it just recently with The Gap and Janie + Jack, so we know, going into day one, oh my God, we need to take care of all of these things --

MR. DAHIYA: All of this, right.

MR. FEUER: So, you want to take to her how to change -- how to pay utility bills for a hundred stores, it's outrageous.

MS. GARGIULO: Not even just to pay -- how to change them over, right --

MR. DAHIYA: To change them over --

MS. GARGIULO: Just to change them over. It's worse than the DMV.

MR: STREADER: If I can add -- what we haven't talked about, there's a lot of conversation here about splitting fees, about what we're going to do, getting better terms, paying utility bills. We're not talking about the customer. We're not talking about the brand. We're not talking about rebuilding the registry. All of the things that you bring to the table and we bring to the table, it's game over. As a retailer, if we're not focusing on the customer, and I wish this conversation was changed because we're negotiating among ourselves, and we're running out of time.

We have to focus on building this brand again and acquiring new customers through the baby registry. Let's not negotiate among ourselves; let's talk about getting to the finish line and buying this company, please. I don't think we're -- I think we're spinning right now. Everyone, I think we're spinning.

MR: SERURE: We need to know all about -- we know that we're going to have to come up with effective plans going forward. Does that need to be discussed over here when we're on this timeline? So, I'm saying we could discuss it tomorrow; it's going to be close, right --

MR. FEUER: Yeah, oh we, so, I think that’s what it is --

MR: SERURE: I believe we're trying to get married.

MR. FEUER: So, that’s a good point. So, Mark, your point is, or all of you, you're looking for a way to get more than the general investor return because you had, as operator --

MR: SROUR-SERURE: I'm an active investor --

MR. FEUER: Look at the investor --

MR: SROUR-SERURE: I'm bringing the whole team over --

MR. FEUER: Okay, so, and so, the response to this request is, yes, we should find a way, and we will find a way to incentivize your efforts on the outcome. However, you want it -- I think, or maybe you're right, I mean, it's difficult. There are so many ways of doing it. I think we can make the commitment that we are prepared and ready to figure out a way -- that it sounds okay for everybody. I mean, it has to work for everybody. And everybody, it's not just us here, so, it has to for the other investors that they don’t say, oh boy -- whatever.

So, and we also ask it for, that it's not only that you take money, which we think we should get, and put it in your pocket. So, we find a way that it is fair to

everybody. And, I think, Jeff just to chime in as well, I think we can commit that we want to figure this out.

MR: SROUR-SERURE: Make it easy on your life. Make it easy on you. Make it easy on yourself, Jeff. Get married and finish it up, that's it. Let's have the same heart to work and go ahead and accomplish this mission that we have.

MR. FEUER: So, maybe -- what I recommend is that we pass this agreement that we will, that we will figure it out and then maybe, just with, either these two guys come up with a way or several ways of making it work, and then, because right now, I think we have to put this in numbers, really, how this works. Because it's easily talked about --

MR: SROUR-SERURE: Again, whatever is good for me is good for me. Whatever, that's why I'm doing it the easiest way. What's good for you should be good for me. You're able to add more, add more. I don't have a problem with that.

MR. FEUER: That's what I'm saying; it has to work for the other end. Otherwise I would say 30 percent --

MR: SROUR-SERURE: The other investor coming in, they're going to make a lot of money over here with the

return that you're going to be able to come up with over here. It's going to be a lot.

MR: SERURE: I'm sure that anything that will be acceptable to you --

MR: SROUR-SERURE: This will be acceptable to us.

MR: SERURE: Not to us, to them. You would be the hardest person to convince, so to speak, in my opinion. Well, you guys have a little more experience than I do.

MR. FEUER: Are we okay with having this commitment that we, I mean, so, whatever will happen over the next --

MS. GARGIULO: 24 hours.

MR. FEUER: Yeah, 24 hours, right so, it's 24 hours. We will figure it out, let's say, over the next 24 hours; how about that?

MR: STREADER: I think we figure it out right now, Christian, because if not if we can't figure it out, if they're not comfortable with where we are, or we're not comfortable with where they are, we have to move to Plan B, today. We have Plan B. We will do it alone. We want you with us. We have to figure it out today, Christian.

MS. GARGIULO: Okay.

MR: SERURE: If you have Plan B already set up and you're doing it alone --

MR: STREADER: We have Plan B ready to go.

MR: SERURE: So, therefore, you have 24 hours to see if Plan A works. You already have it in place.

MR: SROUR-SERURE: Is Plan B better than Plan A?

MR. FEUER: No. We like Plan A lot better --

MS. GARGIULO: Yes.

MR. FEUER: -- Otherwise, we wouldn't be here, right.

MR: SROUR-SERURE: So, fix Plan A over here --

MS. GARGIULO: Right.

MR: SROUR-SERURE: Very simple.

MS. GARGIULO: That's what we're saying.

MR: SROUR-SERURE: I'm sure if you had -- I'm sure if Plan B were a better plan for you, you will not be sitting over here, negotiating this whole deal.

MR. FEUER: Exactly, yeah. Right now, that's why we're here. That's why, I mean, it's a great opportunity.

MS. LAUSTER: So, it looks like there's two options here. One is that you get some sort of a -- there's a metric and whenever you improve it, you get a commission based on that, or some sort of an incentive, or a bonus based on that benchmark (inaudible). The second option is that you get some portion of the carry, the 20

percent, right, that the ask or -- you also want the two percent, you're asking just for the carry, correct?

MR: SROUR-SERURE: What you're getting, I'm getting.

MS. LAUSTER: So those are the two options on the table, right? The question is o, is this how all the work that Go Global has put into this thus far to keep up, right, And the expertise that they're bringing to the table, and the amount to time and effort they're going to take to execute their strategy, is that are you guys intending to put it in? Are you contributing equally in the regard.

MR: SROUR-SERURE: If I have to, I will. If it cost you a million dollars to do the legwork that you did right now, I'd be happy to pay for half of that, of course ill pay it.

MS. LAUSTER: This is where it goes back to scope and responsibilities that we were talking about before, because Go Global is looking at this as they're going to be running the day-to-day business.

MR: SROUR-SERURE: What do you mean by the day-to-day business? Let me understand what you call the day-by-day business?

MS. LAUSTER: Christian, you can elaborate on that versus a board seat and an involved board member.

MR. FEUER: Yeah --

MR. DAHIYA: Maybe more functional, like you guys are part of the company.

(Crosstalk)

MR. FEUER: Yeah, right. I mean, so again, there will be, if it will be different to some degree over time, there will sort of full-time involvement at the beginning, and hopefully, Patty is the greatest in the world, and everything works out wonderful, and we can all move on as help, right. So, but of course, this will not be, it's a, therefore, it's a migration from sort of very much to hopefully a lot less involvement, but what it will be across, all of the functions of the company except the one where you say, hey we want to be the ones where we --

MR. DAHIYA: Lead the initiative.

MR. FEUER: Leading the initiatives, right. I mean, we see ourselves most of the time supporting the team, that they do our execute, what we agree together with them, I mean ultimately, they should learn from you so that they can do the job by themselves. Ultimately, that would be our objective, whatever is the function.

And so, we would form the global perspective and do this for all functions except the ones where you would say, hey, this is where we want to be or where we can contribute the most, which I understand is mostly the

procurement product sourcing, which is incredibly important part of the P&L because it's the number one expense we have so, from that perspective, that how I would see this across purchase.

Now, if you say, we want to get also, because we have specific knowledge or experience in the context of retail, would want to be in this area, as well, but then you should say --

MR: SROUR-SERURE: See, you have, besides the sourcing, with my experience, I need to be involved in other things

MR. FEUER: Okay.

MR: SROUR-SERURE: I know I'm moving my office to the Buy Buy office over there; I'm not going to be here anymore. I'm moving me, myself and I'm moving my team over there.

MR: SERURE: You're not looking to do just --

MR: SROUR-SERURE: I'm not looking only just to do purchasing. I'm looking to run the show. To run the show, I have to be there.

MR: STREADER: Run the show where?

MR: SROUR-SERURE: Run the, run the operation.

MR: STREADER: At what company?

MR: SROUR-SERURE: At the Buy Buy.

MR: STREADER: This is a totally different conversation. We were not thinking about you running -- this is a direct-to-consumer, digital, customer-acquisition retail model. This is not supply chain.

MR: SROUR-SERURE: Not when you have a store -- that your operating store and you're looking to open up additional stores.

MR: STREADER: If this is a contingency --

MR: SROUR-SERURE: You guys are also looking -- you want to go global. How do you go global?

MR. FEUER: So, we definitely think there is an opportunity --

MR: SROUR-SERURE: Managing the store over there. I have a lot of input to put in over there. When I was talking yesterday to Perry (phonetic) there, I told him; did you guys ever commission your sales, your, you know, your salesmen? Have they ever got the kickback? He told me no. We want to but it was never executed. That’s how you encourage your salespeople over here to make the sale on the spot. When you give us some kickback over there, give us two percent of the sale over here. What else was there discussed yesterday?

MR: SERURE: We don’t have specifics

MR: SROUR-SERURE: No, but there was a lot of point with it.

MR: SERURE: The membership program. Different incentives to building a family, you know, building a community or store.

MS. GARGIULO: I think some of those things are good input, but we come from retail we're retail.

MR: SROUR-SERURE: Honey, I'm an ex-retailer. I'm a pro in retail. I'm in old school. You know what an old school is?

MS. GARGIULO: I do

MR: SROUR-SERURE: I'm (inaudible) -- Behind a computer over here trying to manage 80 or 90 or 100 stores over there. I'm going to be visiting the store myself to understand what's happening in the stores. Yes, I will be doing that.

MR: STREADER: So, Mark, that's great, and you're right --

MR: SROUR-SERURE: You want to benefit from what I do?

MS. GARGIULO: Go ahead, Jeff.

MR: STREADER: Mark, your idea for a commission and other ideas across the company are absolutely welcomed from the board perspective but if your comment about running the show at Buy Buy Baby was contingent upon your investment, that is a totally different conversation. And

that’s why we have to start over because Patty Wu's running the show for us and reporting to the board --

MR: SROUR-SERURE: When that person, three times mentioned that there is a lot to learn from what we discussed yesterday, there is a lot of weight to that. She might see it on the books, I know (inaudible)-- you understand me? Again, I'm coming in as much as highly as you think of her over there; to me she is still a kid. I'm coming in with today, of you, with 43 years of experience and, in the baby and the children's wear. You understand -- what I bring in over here besides the operation that you have right now on the Buy Buy Baby -- I want to go into teen furniture. Teen furniture is bigger than the juvenile furniture.

I want to get into shoes. Shoes, it’s a huge department that go together with the juvenile furniture stores.

I want to get into -- on the textile. There are today, they are up to size, what was it, two or four, I want to go up to size 14, 16 boys and girls. I want that. I want that customer to continue coming back over here. I want to have a full selection of children's wear there. That’s my expertise. You are not the only one; you are not the only one who is, what you are doing right now with

your stores over there. For me, I forgot about it. Do you understand me?

MR: STREADER: I understand your comments, and you want to develop additional product that you think --

(Crosstalk)

MR: SROUR-SERURE: We all benefit from it. I'm giving away additional dollars that I'm going to be bringing in, that it's not there; you're looking to do right now [redacted] dollars in a year or two. Maybe in two years, you're going to be at [redacted] dollars, because of all the additional that we are bringing in.

MR: STREADER: All of the additional product development ideas that you have that we would consider. I absolutely get that. We would do market research to understand the competitive landscape, the price points, and how to enter the market. We would think about the consumer first

MR: SROUR-SERURE: You see, but Jeff, you have to understand something; when you have the direct import under your belt, you do the impossible with it because it's going to get pointed regardless. Nobody can touch you. If a pair of shoes right now is getting sold in the store for 100, you're going to be able to sell it at 50 dollar and make (inaudible) -- Where the customers going to buy it?

You guys, I think and I feel that you guys are really not understanding the direct impact, the impact that I'm going to be bringing, you know.

MR: STREADER: I do, Mark. I do

MR: SROUR-SERURE: I'm sorry, Jeff; if you did, then you would understand the additional items that you're bringing in that you're supposed to jump on it

MR: STREADER: Mark, I started my career in supply chain for 30 years. I've ran the supply chain for multibillion-dollar companies at VF and Guess and others. I get it. I agree with you. I'm now focused on taking that power from the supply chain and engaging with the customer through segmentation and personalization. We believe in artificial intelligence and digital, digital engagement. We win with the supply chain after we engage with the customer. Go Global is going to run strategy in the front of the house and partner with you for development and innovation in the back of the house. That’s how we win.

We're asking you to get into the boat. Not asking you to run the company. Asking you to be a big big part of our thought leadership, not asking you to run the company. Please, please, get in the boat with us.

MR: SROUR-SERURE: You have to understand what I'm saying; you're running the company, is editing my values, and understand exactly what I'm bringing in

MR. DAHIYA: You guys are not understanding. He wants to be the CEO --

MR: SROUR-SERURE: I'm not looking to be the CEO over here. I have a lot of input to do. I have lots of experience in this business, trust me when I'm telling you

MR. FEUER: We believe you. So, the thing is

MR: SROUR-SERURE: If I did not have it under my belt, I would give it to (inaudible). I don't need it. I don't need the money. Even if you're going to give me right now, Mark, you're going to make, and in five years, you're going to make an extra five hundred million dollars. I don't need it. You understand me.

MR. FEUER: Totally. So,

MR: SROUR-SERURE: I'm doing this whole thing that I'm looking to get into over there. For me it's just, what you call, it's an excite -- it's an excitement to challenge, I know it's going to get done.

MR. FEUER: It is very exciting, and I think that the one thing what we have learned, or I specifically have learned (inaudible), and I have run a few companies, in Turner Observations, and the one thing I've learned is that every business is different and all that stuff I learned being successful here, does not mean I can translate it there. I need to test everything, and we can't try everything. Choose the way how I would describe,

but let's test it. And, it is, because there's is no guarantee that shoes or anything is successful least that's my experience. Hopefully, it will be. And therefore, we are absolutely open to trying anything you will suggest.

MR. GANDHI: I mean it's a different approach (inaudible)-- the challenge is that will be in the first 6 to 12 months. Will not allow them to you know, focus on all the plans that you are bringing to the table. They're willing to go for it, but they want to wait until they stabilize the operation box, and then they go about it. They absolutely value what you are saying. And I think Jeff is also in complete agreement with that part, that there's a lot of value that you, you know, you and Jeff together can bring to the, you know, situation.

MR: STREADER: Thank you, Milan. Yes.

MR. FEUER: Because it's not necessarily even waiting because I don't think you, you have to do stuff right away, I mean, so this is just, but, the way -- and this is just what happens all the time. Hey it works here wonderful; it doesn't necessarily work there. So, what we should do, we should try to figure out whether all of that works. And then go step by step.

We don't have to turn Buy Buy Baby into a two-billion-dollar business in three years. If it happened in

five years, it's also great. So, we don’t want to run the risk because there is a lot of money involved, and we, whatever, end up with way too much inventory on the side, and suddenly we have some cash flow problems, and I think maybe we are more conservative.

MR: SROUR-SERURE: You know, in business, the way I run the business, you're in or your out. You understand. There is no halfway. Are you a believer in what you are doing? Or you don’t believe in it. You understand?

MR. FEUER: I totally understand, and I think you can talk with amazing authority about your business, but Buy Buy Baby, as much as there is similarity, it is not the same. And from my perspective of having run five different companies, what works here does not necessarily work over there. As much as I want to believe it, it's -- if it works, great.

MR: SROUR-SERURE: Of course, there's going to be meeting, there is going to be talk about it over here, and everyone agrees -- have to agree to it, it's not just me. That’s what I want to do; that’s what's getting done. No, we are not; as I mentioned to you on the previous meeting we had, I am a team player. And today to succeed, why you must be a team player. And I mentioned to you that I'll advertise my team overall. And I'm just, why? Because

I respect my team. I have to respect the people that I'm working on; I'm coming to listen to them. You understand me?

MR. FEUER: But that takes time to understand. Whether you respect our team, you're --

MR: SROUR-SERURE: I'm telling you exactly who I am and the way I operate. Like I just said, I'm like, I'll be sure that there, he has to be there. Avish, my company know me, he wears many, many hats, that's why he has a hat, he's excellent, you understand me? If I need to, you know, and it's extremely difficult for the department over there, you have to be there.

MS. GARGIULO: I think we need to figure out how to move forward. If we all want to do this together, we have to figure out how we can move forward. I mean like you said, either you're in or you're out, right?

MR: SROUR-SERURE: What I'm trying to say is you want to go in and open heart, you know what I mean. You know that nobody's going to stop you, or I don't have to go in. And this one is going to tell me this, and this one is going to tell me that. It's a business. We here to grow this business. How we want to execute them, we have to do it. I know I have to go right now, go spend, if this thing happens over here, I might have to go spend the next six to nine months overseas. Back and forth, back and forth.

That's what going to take for me to go and recreate the whole supply chain over here.

MR. FEUER: Okay.

MR: SROUR-SERURE: I know the point is going to fall on my shoulders,

MR. FEUER: Yeah.

MR. DAHIYA: Like one of the things that Perry was talking about that how inefficient and unprepared the buyers were. So, they did wrong buying.

MS. GARGIULO: Right. On the baby side.

MR. DAHIYA: So, I would say one could be a wrong product, wrong product mix could be one. And second was they didn't negotiate well.

MR. FEUER: Yeah.

MR. DAHIYA: Which we can validate.

MR. FEUER: I have no doubt that they didn't negotiate the prices.

(Crosstalk)

MS. GARGIULO: You were on that side.

MR. DAHIYA: Guys, you did so poorly. Yeah. So, she said, okay, like we need training. But she knew. It's not that she was like, no, she herself, like. We need a lot of help here, right? So, okay, that's something that we can work with, right. Brand versus private brand. How important brands are. Because those companies have

invested a lot in those brands. And what else can we do on the private brand side? To increase margin. Whatever. So, yes.

MR: SROUR-SERURE: See, one thing I mentioned yesterday about the BBB, we have to let the plus out after that. She loved that idea.

MR. FEUER: Yeah.

MR: SROUR-SERURE: You understand me? The next --

MR. FEUER: Yeah.

MR: SROUR-SERURE: It's not only for infants. I have the family coming. The kids coming, you know, exclusive, no, excluded, what do you call it over there, textiles.

MR. FEUER: Prime label.

MR: SROUR-SERURE: Whatever, you understand. I'm not telling you that.

MR. FEUER: So, Mark, I don't mean --

MR: SROUR-SERURE: I'm a textile person, me, myself before the juvenile furniture. I was in the textile -- as back in the 80s when I had the stores. I also had, I used to do it, domestically manufactured clothing here.

MR. FEUER: Okay

MR: SROUR-SERURE: You understand me? Short bottom t-shirt, you name it, we did it.

MR. FEUER: Yeah

MR: SROUR-SERURE: That's why I told you there is no hair.

MR. FEUER: I have to figure out why there is no hair. So, I think nobody has any doubt that you and your team can contribute --

MR. DAHIYA: We understand, you know, one of the tensions in the room -- we understand, you know, Jeff has done a lot of work. Your team has done a lot of work. You have been on top of this for long, and then, from your optics, you're seeing somebody else come in and say, you know, we'll do this. I think the water --

MR. FEUER: I run the show.

MR. DAHIYA: Yeah. But I think some of the -- from our side, we're not saying we're disrupting what you guys are doing, because the reason we are here and we're talking is because we believe that you guys can help in execution, right. If that was not the case then we should have solo.

MR. FEUER: Yeah.

MS. GARGIULO: Right.

MR. DAHIYA: So, I think it's already understood that the value that you're bringing. We appreciate and respect that. Yeah, maybe we are not feeling the same. Could be one of the reasons that you're fighting it out

for that Space. You know. That's about it. We all believe in and, as of today, Patty being the lead for this venture. We trust her to do it. So, it's vetted by both parties that want to have to be so that. I don't want tomorrow that, oh, shoot, we didn't do it.

MS. LAUSTER: Right, yeah.

MR. DAHIYA: And then, in our transition, we have problems.

MS. GARGIULO: Right.

MR. DAHIYA: It's okay, we all trust, we know there's problems. She was very open to sharing what would be issues and challenges. But yeah, she also has trust in both of us, which is again very important. Yeah, I trust Go Global, their knowledge, their team and you guys together. So, even her point is that we actually can make her successful.

MR. FEUER: Well, yeah.

MR. DAHIYA: Because all together can fix many ends. She wants to be successful. But the reason she's still there is she's hoping and praying that you're all able to make it.

MS. GARGIULO: Right. She's hoping we can all save the company.

MR. DAHIYA: Yes, and this is a fairy tale, right. Firstly, the industry is exciting. We are dealing

with dreams, you know, that people have and, you know, we're filling their space. And then, the adventure itself is exciting. As Mark said, challenges is what drives him. Yeah, he doesn't need more money. He's fine. He's satisfied in life, But he feels itch. This is an opportunity for me and, like many of you guys, too, for both. This is exciting but at the end, rewarding too. That's the best thing right. You get both ends satisfied, right.

MS. LAUSTER: So, you guys started with a, you know, your proposal is 50/50 on the capital Two and Twenty, right? Is there a number that's not 5050 that, you know, we can start exploring?

MR. FEUER: I think what would be a good idea if we figure out the way to expand the fees so it's much easier to share from outside because you don't want to look at it that we don't get, you get, so that's one way.

(Crosstalk)

MR. FEUER: I know. But we have to look at the investors and say four percent. So, therefore, it has to be; it has to work for everybody. And because we're team players. Sorry.

MS. GARGIULO: Did you say something? No?

MR. FEUER: So, I'm not sure that we can come up with the, on the one side, we need to come up with

something, but I'm not sure that we can come up with something. Right away here so, because --

MR: SROUR-SERURE: If you want to, you should try to leverage (inaudible)

MS. GARGIULO: We wouldn't be here otherwise.

MR. GANDHI: He's saying that if you are now thinking of going to Plan B, that could not be nice when we are so much deep into these things.

MR. FEUER: That's. Okay. The point is, I don't think. I'm not sure right now. So, because it's sort of sitting here together. We need to have some concrete suggestions on how this could work. Where we consider What you want to achieve but we also make it work for us as well as for third parties. And that's not an easy thing to do.

MR: SROUR-SERURE: In my eyes, it's very easy. You Share what you want over there, and you have a home run.

MR: SERURE: He is saying to convince the third parties.

MR: SROUR-SERURE: What has it got to do with third parties.

MR. DAHIYA: How many third parties are there?

(Crosstalk)

MR. FEUER: [redacted] of equity, you put in [redacted], there's [redacted] dollars of equity, then there's another [redacted]. It might be a little bit more, so.

MR: SERURE: Will you entertain us by putting in another [redacted]? I'm saying what if we just took out the other investors?

MR. GANDHI: No, on [redacted] dollar right now, he is expecting us to give, [redacted].

MR: SERURE: You're putting in money?

MR. FEUER: We are.

MR: SERURE: So, there's another investor who's putting in another [redacted]

MS. GARGIULO: You're saying, what if you put in [redacted]?

MR: SERURE: Well, if we just took out the entire [redacted]?

MR. FEUER: So, you would put in basically a hundred percent of the money?

MR: SROUR-SERURE: I thought originally that you were putting money in. I saw that the paper you sent out yesterday, the paper changed. You were coming in with [redacted]?

MR. FEUER: I don't know which volume you shared

MR. DAHIYA: Do you remember anything about this, Milan

MR. GANDHI: Yeah

(Crosstalk)

MR: SROUR-SERURE: In the last volume, I think is was something like [redacted]. Am I correct or not? Oh, I'm mistaken.

MS. LAUSTER: Look at the model.

MR. GANDHI: Yeah, there was a version change.

MR. FEUER: There was at one time a version --

MR: SROUR-SERURE: right.

MR. FEUER: Yeah, that's right.

MR. DAHIYA: Nine, Nine, Nine point something.

MR. FEUER: Yeah. 9.11

MR. DAHIYA: Is this the most up-to-date one?

MR. FEUER: There are many versions.

MS. LAUSTER: You guys downloaded everything on Saturday?

MR. DAHIYA: Yesterday.

MR. FEUER: Yes, so there was one version like that, so yeah.

MR: SROUR-SERURE: They are coming into the office. You know you can download it. Now they are coming in with -- now they are out?

MR. DAHIYA: Are you creating equity.

MR. FEUER: Pardon?

MR. DAHIYA: Are you creating equity for soft equity?

MR. FEUER: Yes, that's right. That's right. There was a 20. That's the Two and Twenty.

MR. DAHIYA: Even in equity, okay.

MR. GANDHI: That's okay.

MS. GARGIULO: I think Mark is getting upset. Is there a way, like he's not understanding some of this.

MR. DAHIYA: I think that's the thing.

MR. FEUER: So, I get the idea that he is not a silent investor but an active operating investor, so he should get something for it. What, I don't like, any of us won't like, it that hey, we just take half of the guy's stuff you gave. That's not a great proposal.

MR. GANDHI: No, I get that. That is why it's an option of, you know, increasing that par or giving other way,

MS. LAUSTER: Yeah, exactly.

MR. FEUER: Yeah, all right. So, it can be a combination of both.

MR. GANDHI: So, the only thing that you just need to say, okay whether it'll be this way or that way, but this is the number.

MR. FEUER: Yeah, so, let's say, I can imagine the combination of three things. Maybe increasing

the pot, right. So, that's the one. Secondary creating a way that -- advisory fees --

MR. GANDHI: Advisory fees

MR. FEUER: Advisory fees, whatever it is. And the third, I mean, I'm not making myself friends with the other guys, maybe taking some of what we have, right? Because there is a big difference between some and 50 percent, so, if we can figure out something and it needs to be simple, so, we can acknowledge the contributor right, but we want to, we don't want to pay for it all.

(Crosstalk)

MR. DAHIYA: So, now, when you come up with -- your putting down you --

MR. GANDHI: -- put in the email address

MS. LAUSTER: Yeah.

MR. DAHIYA: -- Based on your evaluation -- you come up with a number -- no, dilution because if you are getting sweated

MR. FEUER: So, at the end, yeah. This is the second case, so --

MR. DAHIYA: What about the -- on a location basis?

MR. FEUER: Or when it's on the website --

MR. GANDHI: What's your cell number?

MR. FEUER: -- you can't print it out --

MS. GARGIULO: Sorry, my cell 914-450 --

MR. FEUER: -- you have different --

MS. GARGIULO: -- Seven zero --

MR. GANDHI: -- seven zero --

MS. GARGIULO: -- nine zero --

MR. GANDHI: -- nine zero, I just called it, so you have mine also.

MS. GARGIULO: Okay

MR. GANDHI: So what im showing you now, I adjusted, so the numbers are probably down.

MR. DAHIYA: (inaudible) So, when you're saying 50/50, and he's there 70/20, so you're saying you're taking everything?

MR. FEUER: Yeah, you would take our sweat equity, that's all. So, you would get seat equity in that sense, yeah, so.

MS. GARGIULO: Christian I have to (inaudiable)

MR. DAHIYA: Dilute (inaudible)

MR: SROUR-SERURE: Say, so I'm investing (inaudible), but they are not showing equity.

MR. GANDHI: Strategy (inaudible) It just depends on how first they pay investors in the company.

MR. DAHIYA: So their money could be (inaudible) if you're asking 50/50.

MR: SROUR-SERURE: They left this one over there?

MR. DAHIYA: Yeah, this is the one that you printed.

MS. GARGIULO: I'll be right back.

MR. FEUER: So, I mean, there's I have so many different models, this is why.

MR. DAHIYA: So, yeah, Go Global, 20 percent gap (inaudible) --

MR. FEUER: Yeah.

MR. DAHIYA: -- 20 percent guide.

MR. FEUER: So this is, yeah, this -- and actually, so this is it.

UN: Not even worth it.

MS. LAUSTER: Okay.

UN: Say, is there a replacement?

MS. LAUSTER: Yeah.

MR: SROUR-SERURE: We're going to change the whole structure.

MR. FEUER: This is so now it's right. So that’s the way a waterfall works.

MR: SROUR-SERURE: (inaudible).

MR. FEUER: So, if the equity investor is (inaudible) three hundred and fifty --

(Crosstalk)

MR. FEUER: But first, of course, is that equity investors can (inaudible) six figures --

MS. LAUSTER: Well, I mean, it's --

MR: SROUR-SERURE: It's uncompete.

MS. LAUSTER: It's very common that, you know, you would be (inaudible) options --

MR: SROUR-SERURE: When you are having a discussion, bringing in investors at the beginning, and saying one thing and then two days after changing the whole picture. That’s not fair.

MS. LAUSTER: I don’t think there is an (inaudible) just to see you --

MR: SROUR-SERURE: Obviously, it does, that what was discussed

MS. LAUSTER: Yeah, I mean --

MR: SROUR-SERURE: You understanding me?

MS. LAUSTER: It's just --

MR: SROUR-SERURE: Is it to suck the investor over here -- make it look sweeter over there?

MS. LAUSTER: No --

MR: SROUR-SERURE: Obviously, it is

MS. LAUSTER: No.

MR: SROUR-SERURE: You see, all this before was amiable --

MR. FEUER: Right, yeah, we couldn't get anything --

MR: SROUR-SERURE: -- I go -- I go -- very open on real estate. We bring in investors.

MR. FEUER: Because first -- we don't make money unless the investors are making money, and so it's literally the way it works; Step one (inaudible), Which is the interest rate, which is, I don't know where it's calculated here --

MS. LAUSTER: Right.

MR: SROUR-SERURE: You understand me. You see, where we were talking a tree monkey (phonetic, it's a very, very small percentage that we (inaudible).

Go into housing or residential, hotels, whatever (inaudible) the book is open; you've got an (audible). Major developments over there.

MR. FEUER: -- and then step two, this is where we are not participating --

MR: SROUR-SERURE: I told my wife yesterday I was looking for a (inaudible); we are hoping to take over the Buy Buy Baby --

MR. FEUER: -- after the investments --

MR: SROUR-SERURE: -- She said, how much do you want to take with you? Will there be room?

MR. FEUER: -- that how we had it for Janie + Jack, but (inaudible), but that's how this calculates. That's where you would find --

MR: SROUR-SERURE: -- that was her reaction to it: women, you're crazy, you're nuts.

MS. LAUSTER: You got a lot going on that's for sure. Probably want to see you at home.

MR. FEUER: -- this is so different.

MS. GARGIULO: (inaudible).

MR: SROUR-SERURE: To be honest, I was about to (inaudible).

MR. GANDHI: You remember that show Deal or No Deal?

MS. LAUSTER: Yeah

MR. FEUER: Howie Mandel, right.

MR. GANDHI: This is like --

MR. DAHIYA: Milan, we need your help. (inaudible) its 20/50, right?

MR. GANDHI: Twenty.

MR. DAHIYA: 70/50 is on dilution, correct?

MR. FEUER: Yeah, so --

(Crosstalk)

MR. FEUER: -- it will dilute the initial message, right? (inaudible).

` MR. DAHIYA: That's the message showing, correct?

MR. FEUER: Yeah.

MR. LAPISH: Yeah, the way that you, the way that model was set up, it was deleting the equity --

MR. DAHIYA: So for us to get enough understanding, like -- Mark would know how this is happening. So, they are, no matter what, so let's say [redacted] and then [redacted], so [redacted] in the sweat equity. So, technically, [redacted] becomes [redacted], and then there's the dilution, so you are at, let's say, as an example, [redacted] and [redacted] is the other investors, and then now for [redacted], you are now --

MR. GANDHI: Forty percent.

MR. DAHIYA: Yeah.

MR. FEUER: Right. But it is from a step approach, where the first step --

MR. GANDHI: But they are milestones, right?

MR. FEUER: Yeah, so actually, the first milestone is always the same. The first, say from, let's say, there's [redacted], (inaudible), [redacted] dollars worth of equity (inaudible), the first [redacted] dollars that is paid out goes to the equity investor.

The next [redacted] goes to the equity investor for interest the Pig has accrued over the years. And then

for the next [redacted] dollars, or whatever the number is, a billion dollars, it is divided between the equity investors, the management, and the sweat equity or for --

MR. DAHIYA: So, my question is, are we physically creating sweat? What is the basis for (inaudible)creat (inaudible)

MR. GANDHI: (inaudible).

MR. DAHIYA: So, so, we are (inaudible). So when we are proposing, we are proposing [redacted] of that?

MR. FEUER: Exactly.

MR. GANDHI: Yeah.

MR. FEUER: So, yeah, so basically --

MR. DAHIYA: Whether you have sweat or --

MR. GANDHI: Whatever you want to call it.

MR. FEUER: Whatever you're calling it. So basically, it’s a transfer from what we --

MR. GANDHI: What you are --

MR. FEUER: Preparing to pay --

MR. DAHIYA: How are the other investors taking where you are not investing?

MR. FEUER: (inaudibile) with us?

MR. DAHIYA: I mean, how are they taking the proposal?

MR. FEUER: This is totally established.

MR. DAHIYA: Well, usually, you'll see some investment, you know --

(Crosstalk)

MS. GARGIULO: I see it more in Europe than in America; this is fairly standard.

MR. GANDHI: Yeah, this is --

MR. DAHIYA: Maybe, maybe how many or distress --

MR. FEUER: (inaudible), give me an example, and I'll give you an example. So, if we would have five right? So, you invest into our fund. Somebody else invests into our fund --

MR. GANDHI: -- But you manage the fund --

MR. FEUER: We manage the money and at the end, we get 20 percent, right? Because it is (inaudible), it's the only difference here is between the fund -- the fund established. We are only asking you for the money now, instead of having asked three years ago.

MS. LAUSTER: Yeah.

MR. FEUER: That's the only difference. So, it's like the most basic --

MR. DAHIYA: So even with your sweat(inaudible)--

MR. GANDHI: (inaubiable)It's the right thing now. Right now, that's in a mutual fund; there's a fee,

right, 1 percent, 2 percent, 3 percent. That’s the management fee that 2 percent --

MR. DAHIYA: That’s fine.

MR. GANDHI: -- that sits under the management. And then at the end of the year 10 or 20 years when the fund matures, and there is an upside of 5, whatever the percent, he gets a piece of it because of all they're effort that they --

MR. DAHIYA: I know, so their sweat equity of 20 is -- they never get diluted, that’s what im saying.

MR. FEUER: We get diluted -- we actually get a little (inaudible), right --

MR. GANDHI: Yeah.

MR. DAHIYA: No, so, if I make -- let's say tomorrow we get the third guy or the fourth guy -- we are now underbidding

MR. GANDHI: Yeah.

MR. DAHIYA: Their exit is still 20 percent.

MR. FEUER: Right, yeah.

MR. GANDHI: Okay, at the exit, the number doesn’t get changed --

MR. DAHIYA: Right.

MR. GANDHI: -- that number doesn’t get changed, some people may be (inaudible) --

MR. FEUER: Very quickly, say there is another guy, so let's say it goes from 50 to 100; we assume --

MR. DAHIYA: We are diluted, you know.

MR. GANDHI: Yes.

MR. FEUER: But, I mean, you get diluted, but the pie is bigger, right? I mean, before you had 50, now you --

(Crosstalk)

MR. DAHIYA: How do I explain that to Mark?

MR. GANDHI: He can understand it --

MR. FEUER: It's all up to Jack.

MR. GANDHI: Jack, all eyes on you --

MS. LAUSTER: Jack, have you been listening?

MR: SERURE: What's going on?

MR. GANDHI: -- you got what they were talking about, right?

MR: SERURE: Negative.

MR. GANDHI: Negative --

MR. DAHIYA: So, was there any reason you guys removed that 15?

MR. FEUER: So, this is the site. You look at version 9 version 11 -- there are 20 different, no, 30 different versions --

MR. GANDHI: -- (inaudible) management company --

MR: SERURE: This is their fee to the management company --

MR. GANDHI: -- (inaudible) [redacted] dollars (inaudible) that upside is fixed upside, [redacted] whatever, --

MR. FEUER: -- so they are having different installations of where instances of (inaudible) an investment and which (inaudible) very, very complicated investment and some other assets --

MR: SERURE: Is it going to be based --

MR: SROUR-SERURE: Now it makes sense why the (inaudible) so, that's that.

MR. FEUER: -- So, then, yeah.

MR: SERURE: When we came in, we had no idea that was the context of this discussion. We thought that (inaudible), I don't know about you guys; the last we spoke, you guys were putting in [redacted] dollars. Now, all things being equal (inaudible), then today I am understanding that this is, you're basically managing, and this is a management meeting.

MR. FEUER: So, it is, it's basically the, I mean, it is the reward for us, getting the deal together --

MR. DAHIYA: (inaudible).

MR: STREADER: -- and taking business from here to there, which equates, what, about [redacted] dollars in value. And that is the reward for us.

MR: SERURE: The one question I have, though, is where are we working from? Im saying now, let's say we are acquiring the company. Are we working off the baseline where it was before this entire thing dragged it down? Where we're working from

(Crosstalk)

MR: SERURE: Yeah, no, I'm saying the company was healthy, right?

MR. FEUER: Yeah

MR: SERURE: The company had no issues. It got dragged down from some other company. They were doing, let's say, a billion dollars a -- last year or something like that --

(inaudible)

MR: SERURE: The upside we're calculating on a billion plus, or right now, we are starting around zero --

MR. DAHIYA: No, they are saying for three to five years, a billion

MR. FEUER: A billion -- three years, sorry.

MR. DAHIYA: The target is to reach [redacted] over the next (Crosstalk)

MR: SERURE: No, I'm saying the business we are getting into had established, let's say, a billion dollars since. So Im saying when we're talking upside, are we using that as the baseline, and saying, okay, every additional --

MR. GANDHI: Your base is going to be a problem

MR. FEUER: So, yeah, let's say, it is --

MR. GANDHI: So maybe next year, for example, you have [redacted] dollar, right?

MR: SERURE: So we are resetting right now from 50?

MR. GANDHI: Whatever the number. Let's say tomorrow it becomes [redacted] when we agree to buy it. Let's say [redacted]. When you sell the company, it becomes [redacted]. So, the 540, reduced by the interest for the stakeholders and everything and all of the things, let's say it becomes [redacted], so they get [redacted] of that.

MR: SERURE: Correct.

MR. GANDHI: They get [redacted], and we get (inaudible)[redacted].

MR. FEUER: So, that's maybe because (inaudible), hey, because I went over by this business, go back to a billion --

MR: SERURE: Yeah. It's not as simple as that --

MR. FEUER: So, you know the, the only one entity bidding on this and that us, nobody else. And the reason is because, nobody can figure out how to extract it from Bed Bath and Beyond, which is super difficult and has a lot of challenges and where, just like Thorne and Jeff and another person, Chris, on our side, have spent countless hours on figuring out, can this even be done, and in what way, in what time.

Otherwise, you can say, well, this is actually easy. I mean, it's just like, you just go back to the billion, you make a good amount of money.

MR: SERURE: I try my best.

(Crosstalk)

MR. GANDHI: In most situations, if it doesn't work out right, they lost everything, whatever they invested in terms of human capital.

MR. FEUER: Yeah.

(Crosstalk)

MR: SERURE: Two percent is irrelevant to profit, correct?

MR. FEUER: Right. Yeah.

MR: SERURE: So they are getting the 2 percent?

MR. GANDHI: Asset under management. Like [redacted] for the first year, then [redacted] is a [redacted] dollars. That's the only thing that they will get.

MR: SERURE: And that fluctuates from year to year?

(Crosstalk)

MR: SERURE: It stays at [redacted] your saying?

MR. FEUER: So, the investment is all at [redacted] unless there's really --

(Crosstalk)

MR. FEUER: So generally assuming we put in more money because we want to buy or whatever it is, then that's the good profit, not a bad profit. But we are not planning on that, that number goes up.

MR: SERURE: Hopefully, we will be self-sustaining --

MR. FEUER: Yeah. I mean, one of the thoughts is --

MR: SERURE: -- You were saying another [redacted] or [redacted] on the back end to be injected

MR. FEUER: Yeah, exactly.

MR: SERURE: So that would be contributed to three 50

MR. FEUER: No, it is debt.

MR: SERURE: Is the a reason why not?

MR. FEUER: It's debt. So, it's the equity. Maybe we should take this adjustment, add --

MR: SERURE: No. I --

MR. FEUER: Okay, I get it --

(Crosstalk)

MS. GARGIULO: We're going to have to leave soon because of the board meeting.

MR. FEUER: Oh, yeah.

MR. GANDHI: I think Jeffery is saying something.

MS. GARGIULO: I think Jeff is going to say the same thing.

MR. FEUER: I think we have to leave. Yeah, actually, because we have this board meeting.

MR. GANDHI: Oh, Okay.

MR. FEUER: So, okay, just, there is one other thing, wherever we are, we need to figure this out independently and then come together and see, but what we need, we together, not only we, what we need from you is to sign a soft commitment letter that would allow us tomorrow to provide a bid, so, it's the commitment letter, not the --

MR. GANDHI: Hold on, hold on.

MR. FEUER: And what we need is --

MR. GANDHI: I remember when I got the (inaudible), and also I had to go get the [redacted] check, to hold it in the hand, take the signature, and then we went to the beach.

MR. FEUER: Okay, yeah, so we have the experience, so we can (inaudible) with a [redacted] dollar check.

MR. GANDHI: I come to the corporate world; I come from a different world --

(Crosstalk)

MS. LAUSTER: I mean, that's the challenges, the education. I wish it were -- had more time.

MR. FEUER: So, Milan, You have to figure out how to bridge this.

MR. GANDHI: I did. But, you know, I think we should talk.

MS. LAUSTER: Milan, gave me your my card. Do you have a card or --

MR. GANDHI: I don't have it, but I'll call you, and then you will have.

MS. LAUSTER: Please do

MR. GANDHI: I'll text you

MS. LAUSTER: Okay, thank you.

MR. GANDHI: Then you will have it. Jeff, you would also know my prevvios company, Irvine Mills (phonetic). When you were at VF. You know me, all Irvine Mills from India, so all your royalty contracts, I was the one who was signing it in 2000.

MR: STREADER: Okay. All right.

MR. GANDHI: Because we were like, we were the, I think, one of the most, probably the largest supplier of denim to your, you know VF. And I had to sign most of the royalty contracts

MR: STREADER: Absolutely, that’s good to know

MR. GANDHI: Yeah.

MR: STREADER: And Milan, I to have to say, in the room, you’ve had a voice of reason, and its been a pleasure spending time with you in this virtual setting. And its im sorry that we didn’t get closer than we did, but it's been nice to meet you today in this meeting. And I'm sorry, there's a really, there's a big gap here, but

MR. GANDHI: You don’t need to be sorry. This was something that, you know, We thought that it would work out and we are still hopeful that something can emerge in the next 2, 3 hours, whatever, if we can do something. But we should definitely, you know, im trying to bridge the gap on this side to make them understand. I know exactly where Christian and you all come from because, you know, I have done these things, and I understand these things, and as I said that, you know, I'm just an advisor, so I cannot -- someday make more impact than what I've made today or previously

MR: STREADER: Okay.

MS. LAUSTER: Yeah, maybe, you know, when we're out of the room.

MR. GANDHI: I mean, I can talk it through right now. See father and son, and he's working there as CMO, but I only come once a week to help him with all the other things and everything.

MS. LAUSTER: I see, got it, got it

MR. GANDHI: So, I used to be the full-time in the C Suite, just like you, but then after COVID, I said, okay, what now? My kids are satisfied with what they are doing. One is an investment banker, second is joining investment banking. I said, you know, I don't need to worry about your paychecks anymore, I take a little bit.

MS. LAUSTER: So, do you advise other companies.

MR. GANDHI: Yes, I do

MS. LAUSTER: Okay

MR. GANDHI: So I have another half a billion dollar grocery client that we are trying to raise some money. Through the client implementing the ER before them. I did a SAP (phonetic) last time --

MS. LAUSTER: Okay

(Crosstalk)

MR. GANDHI: -- you go there, I'll come with you to help you on that. I have lots of wholesale experience.

MS. GARGIULO: That’s great. No, that’s absolutely great. I think we just -- think they don’t understand the model

MS. LAUSTER: And it's hard to educate in 24 hours --

(Crosstalk)

MS. LAUSTER: I mean, I wish, like, you know, we were -- I was saying, we could have, if we had realized -- if we understood this, we could have put together some slides and you, know could have walked through the explanations you know

MR. CHEN: Guys, I apologize; I'm going to have to drop.

MS. GARGIULO: That’s fine, Yuen, we're going to head (inaudible). Thank you

MR. CHEN: Appreciate it

(Crosstalk)

MS. GARGIULO: Jeff, we'll talk to you soon. We're probably going to leave soon, but you can stay on if you want. But, yes

MR. FEUER: I have to get going in order to make this --

MS. GARGIULO: We don’t want him to come away thinking (inaudible)--

MR. GANDHI: No, no, no --

MS. LAUSTER: Because you can see --

MR. FEUER: Okay, I think because. I mean, we have --

(inaudible)

MR: SERURE: I'm sorry, but this whole thing changed. The fact that we know that you're not a partner now, so I'm saying we're just trying to figure out the best way for us to go about it.

(inaudible)

MS. GARGIULO: We can hear you typing.

MR. GANDHI: Especially that it's a dollar for dollar when it comes to equity.

MR. FEUER: Okay.

MR: SERURE: You know that I mean like I know for a fact, I can even -- if I didn't decide, we decide not to go into our pocket and raise 25 if they're not coming in as an equal partner, dollar for dollar. So, we're just trying to figure that out --

MR. GANDHI: They need to leave.

(Crosstalk)

MR: STREADER: Hey Jack --

MR. FEUER: Maybe we should out --

MR: STREADER: That was Jack, right?

MR. GANDHI: That's was Jack, Marks --

MS. GARGIULO: That was Jack, yeah.

MR: STREADER: What Jack did grasp in that comment is that we're not coming in as a limited partner. We're not an investor. We're the general partner. We're the manager of the transaction. We're the managers of the asset. We're the GP. Jack would be, they would be equal to the Perot family office that manages [redacted] under mamagement. DOM -- Dream on Me, and Perot would be equal in the way they operate. They would not be the same as Go Global or the GP.

MS. GARGIULO: I think they should come back in and hear that part, Jeff, just before we leave.

MR: STREADER: Yep

MR. GANDHI: I think so. Jeff, hold on five more minutes.

MR. LAPISH: It's me by lonesome.

MR: STREADER: Hey, Jack.

MR: SERURE: Yes.

MR. GANDHI: Just go ahead, Jeff.

MR: STREADER: So, when you came in the room just a moment ago, you mentioned about, well, we're putting in [redacted], and Go Global is not, so we're not an equal partner. And you're correct in that perspective. So Perot is putting in [redacted]. The family office has [redacted] under management. They're putting in [redacted]. You're equal with them as a limited partner.

MR: SERURE: Correct.

MR: STREADER: You're a limited partner; we're a general partner

MR: SERURE: Correct.

MR: STREADER: You're equal to the Ross Perot family office. Go Globals not in your class. You all are in a preferred class. We're in second class

MR: SERURE: Correct. We didn't know that. We thought that you guys would be partners and that the structure would be different (inaudiable).

MR: STREADER: As a private equity firm, whether you're with a fund, a committee capital, or you're doing special purpose vehicles, SPVs we are the sponsor. We're the sponsor of the deal. And we pull together the capital stack and then run the company, the thesis, the growth, all areas, supply chain being one. With seven other major pillars as the general partner. You and Perot are equal. Your class A, we're class B, we're different. Yes, we're after you. You guys are first. We're second. That's -- your equal and Perot.

MR: SERURE: Yeah, we understand that. Do we need Perot and --

MR: STREADER: Yes, yes, we need Perot.

MR: SERURE: What's the reason?

MR: STREADER: Because they're our investor.

MR. GANDHI: We need them for the money.

MR: SERURE: So I'm saying that we need another avenue to bring in that money.

MS. GARGIULO: He's saying you think (inaudible) over 100 percent of the money, Jeff.

MR: SERURE: The way I'm looking at it is right now, why am I giving them equal equity, dollar to dollar, to bring them in as a partner, and they won't really bring us anything, you understand?

Generally, when you have a business that you're the one who's running it, and you're the expert, and these guys are just coming in as the money man, they're are coming in equal, that's usually I always understood.

MR: STREADER: When you say you're running the business, the supply chain is only one leg on the A leg stool. That is not running the business.

MR: SERURE: Okay, I'm saying

(Crosstalk)

MR: SROUR-SERURE: But from my experience, the chain supply is 88' 85 or the total operation.

MR: STREADER: I'm sorry to disagree with you. It's about the customer, Mark, and you keep saying this.

(Crosstalk)

MS. GARGIULO: I think your question is smart money versus (inaudabile) money.

MR: STREADER: Okay, Jack, is that what you're saying? Smart money versus financial--

MR: SERURE: I'm saying, instead of we came up with the full 50, let's say, and you guys

MR: STREADER: It's not available through our vehicle. If you want to do that, it's not available. We're bringing in, we're bringing it to the Perot Family.

MR: SROUR-SERURE: They don't want your control over here. They don't want your control. Don't you understand this picture over here.

MR: SERURE: Who is they?

MR: SROUR-SERURE: Global doesn't want you to control. They, if you're coming in with 50 over there, then you're controlling it.

MR. FEUER: So, we would have to figure out how this would work, and so.

MR: SERURE: I'm looking at it. We need you. We don't need them. So, why do you have them in the same bed?

MR: SROUR-SERURE: Because then, you're in control,(inaudible).

MR. FEUER: Yeah, so I get the point. You're saying, okay, if money would be no object. It's

sounds as when -- that there's a possibility for that. We might be able to figure out something out if that's possible from your perspective.

Secondary -- Okay. So let's see. What is your concern? Your concern is that you don't get enough return --

MR: SERURE: My concern is, why am I giving this guy 20? Why am I not putting another [redacted] now, which is going to cost me hundreds of millions tomorrow, you understand?

(Crosstalk)

MR: SERURE: Especially when we are the ones -- I understand that you are looking at aggregate

MR. FEUER: yeah.

MR: SERURE: So, im saying, who's going to run the company? Who is going to be overseeing whatever it is?

MR. FEUER: Yeah, so from our perspective, So, Mark, you're absolutlyy right. Product is extremely important, but I don't think that it is [redacted] because otherwise --

MR: SROUR-SERURE: If it's not [redacted], it's [redacted] percent.

MR: SERURE: When you have an online business, but this is an entire store --

(Crosstalk)

MS. GARGIULO: So you want to double the money straight from the start?

MR: SERURE: I'm looking for this long term

MS. GARGIULO: Right.

MR: SERURE: And I don’t think that’s worth -- even if I needed the other 25, I don’t think it's worth that amount of equity; do you understand?

MS. GARGIULO: So, to your question is -- also, is there a possibility to come in as a loan investor and a sole investor?

(Crosstalk)

MR: SERURE: Why am I going all in and giving 50 percent to somebody else?

MS. GARGIULO: So the question is --

MS. LAUSTER: What is the commitment you’ve already made to Perot?

MR: STREADER: We've made the commitment to Perot. We've been working with them for a year they're anxious to invest in Go Global. They see the value in us as global digital operating partners. Perot, it's our partner. We are not working with you alone. Sorry, Jack, we're not doing it. We're welcoming you to come in up to [redacted]; that's the ceiling. That's the ceiling.

MR: SERURE: Yeah.

MR. FEUER: So, I mean, we have. I mean, I have not spent as much time with Perot, but Jeff is right. I mean, we have worked with them. And so, ultimately, they are banking on us, and we are banking on them. So, we actually worked with them for more than a year. So, unfortunately --

MR. DAHIYA: They probably invested in your (inaudible)

MR. FEUER: No, they have not invested. Janie + Jake is our other investment to years two years ago.

MR: SERURE: I understand they want to keep them. It would be an option to take more of their 25, then.

MR: STREADER: No, no. 25s the ceiling, no.

MR: SERURE: 25 is the ceiling you're saying?

MR: STREADER: Yes. For the Dream on Me family office, 25 is the ceiling. We have other investors that we have been working with that understand the way that we operate. They are anxious to move forward. We would like you to be in the boat at 25, please.

MR. DAHIYA: There would be an option to buy back (inaudible)

MR: SERURE: Everything has a price. I'm not sure whether we are complicating it too much.

MR: SERURE: So, from my understanding, whatever people would be bringing to the table, in additions, like in the value we would be adding to the business. Because of your relationship with, what is it?

MR. FEUER: Perot

MR: SERURE: With Perot, and the fact that you guys have been working together for a while on this, that would be preferential to you to go with them than to have us. Even though we would be adding value that they would not be. That

What you're saying?

MS. LAUSTER: I think what they're saying is they would like the both of you.

MR: SERURE: No, but I think it's basically telling me that people like you in the boat. If not, we're going with just them. So, I'm saying you're essentially up to me. Is that; am I, correct on that?

MR: STREADER: No, it's not. If you do not come in, there will be a different structure, and we'll tuck this into a different vehicle, which is Plan B. And Plan B has a model. Plan B's had discussions. You are a part of Plan A with Perot and others. If you decide, for whatever reason, that it's too risky because of your Amazon business, and you ask, we immediately move to Plan B and buy the company. So, we're going to acquire it.

MR: SERURE: Correct. Solo. I understood before you mentioned it. And I'm assuming that the solo means with Perot.

MR: STREADER: No, with other investors. Other investors. Plan B.

MR: SERURE: What does that mean? So, you're telling me that there, as long as we're in the game, you're priorities to make sure Perot is there. If we're not in the game, Perot falls to the side, then you have completely different people.

MR: STREADER: Our current -- we have other investors, yes.

MS. LAUSTER: Different strategys.

(Crosstalk)

MR. FEUER: It's a totally different kind of way of doing this --

MR: STREADER: Yes.

MR. FEUER: Which is not the preferred way, Its its --

MR. DAHIYA: See here they are the key (inaudible)

MR: SERURE: You think Perot would be interested if you won't fund me. They're not the best for you as the other part.

MR. FEUER: They are for what we are doing; plan B, is just a totally different structure. So, where, where,

MS. LAUSTER: Investing via different vehicles. There's other investors that also have this, that have, you know, relationship, with Go Global.

(inaudible).

MR: SERURE: If we're walking away, you're letting go of them. And if we are standing in, then we must have them. I'm saying if they were there regardless,

MR: SROUR-SERURE: Maybe they got us in because they mentioned that we are in over there

MR: SERURE: I know, I understand that I'm saying, if they're coming in

MR: SROUR-SERURE: They're strategic people, theres different people there.

MR: SERURE: But they're also prepared to walk away if we're not in, he's saying. So, which means that if we walk away, they're out

MR. GANDHI: I don’t think he's saying they walk away, but the structure (inaudible) does not suit their interest, Perot's interest (inaudible).

MR. DAHIYA: Priority investment, let's say that.

MR: SERURE: Okay. Aside from the relationship that you have with Perot, does this Plan A change in them in or out? I'm saying if their not going to be involved. The success rate, or whatever it is we're projecting, is it going to be more successful because they're here?

MR: STREADER: I don't understand your question.

MR: SERURE: If we go with Plan A, is Perot adding anything? Like if you have two scenarios, one, it's just us and one with Perot. Are they bringing value?

MR: STREADER: Yes, they are bringing value. So, the two gentlemen from Perot who will sit on the board will be the smartest men in the room. And the questions and perspectives they have from the [redacted] they have under management will be invaluable to us in terms of their insights into driving a billion-dollar company. They are not from the industry and from the supply chain, but they are tremendously valuable to us.

MR: SERURE: Okay, fine. So now I understand. Okay. So then it's also an our interest to have them.

MS. GARGIULO: Yeah.

MR: SERURE: I did not understand that. I'm sorry.

MR: STREADER: It is. We have a [redacted] -- We managed to have a [redacted]. We want them in the boat with us.

MS. GARGIULO: Right. So, so these questions are completely fair. If you look at Janie + Jack, our lead investor is a hedge fund. And he has invested several different assets in different companies, stuff like that. He sits on our board. He comes with a different perspective. And it's extremely valuable to us to hear that perspective. And not saying that we need to, but if we needed to and needed to call (inaudible), you have that availability as well.

(Crosstalk)

MR: SERURE: I understood that they would come just in with the check and I'll see you late. I didn't know.

MS. GARGIULO: No. It's totally fair. I think, you know, we talked about this before. It's hard to get married in this short of a time frame. And so we're trying to figure it out. But those types of investors are extremely important because, you know, you just don't know when you need that.

MR: SERURE: Okay. I think that's definitely acceptable.

MR. FEUER: So, I guess we are not at the point where we are married yet. I don't know whether we want to. But what we would like, under the assumption, when we decide we want to move forward, for tomorrow what we would need is we could gather together a commitment letter from -- for the investment. That commitment letter would have an out, meaning youre not commited, committed. But what we also would need to have happen is that tomorrow, we would need to make a deposit, which represent 10 percent of our bid.

And so we have to make sure that we keep these two elements in mind while trying to figure out. So, what we can do is we can set --

MR. DAHIYA: So the deposit would be around five?

(inaudibile)

MR. FEUER: Yeah.

MR. DAHIYA: And what would we have? What do we need? (inaudible) take out 2.5, right?

(Crosstalk)

MR. DAHIYA: We have to have the 2.5

(Inaudible)

MR: STREADER: Bye Bye.

MR: SERURE: Take care, Jeff.

(Crosstalk)

MR. FEUER: Let's see whether we can work it out, figure it out.

MS. LAUSTER: It's an education process.

MS. GARGIULO: Right, That's the main thing.

MR: SERURE: If there are any more changes, please just (inaudible).

(Crosstalk)

MR. FEUER: See you soon.

MS. LAUSTER: My son is graduating (inaudible). Grade. So I will not be here tomorrow morning.

(inaudible)

MS. LAUSTER: Anything else?

MR. GANDHI: I think we will regroup now and talk it through again and call you if required.

MR: SERURE: Safe travels.

MR: SROUR-SERURE: Nice meeting you

MS. LAUSTER: Good to meet you too.

(inaudible)

MR: SROUR-SERURE: Im out of control, don't you understand that?

MR: SERURE: I understand it's also about control, but what they're also saying is what I think is true that these guys are managing [redacted] dollars and whatever --

MR: SROUR-SERURE: Bullshit. Stop the BS over there.

MR: SERURE: Why? is it BS.

MR: SROUR-SERURE: Yes. Of course, it's BS. It's all about control. Come on.

MR. GANDHI: All of these people are taking care of their own (inaudible).

MR: SERURE: It's also they want to build their relationship with these people, so they keep coming in with them on deals

MR: SROUR-SERURE: Stop. (inaudible) in a different angle, but they don't want to give you control of the company. You are coming here right now [redacted] dollars; you are controlling.

(Crosstalk).

MR: SERURE: I think they should come up with more than 25 if they're getting 50 percent.

MR. GANDHI: All these people, real estate people (inaudible) risking one fund. They invest, and these people don't allow anyone else to take control. They always do that. If you talk to any --

MR: SERURE: Is that unreasonable to request that they put more than [redacted] to get [redacted].

MR. GANDHI: No, but said that they don't to us --

MR: SERURE: No, he said that we can't put in more than [redacted] because he just wants to someone --

MR: SROUR-SERURE: yeah, of course

MR: SERURE: But if I'm bringing a partner, who --

MR. GANDHI: Yeah, now you want to level your game

MR: SERURE: Does he care how much is coming in?

MR: SROUR-SERURE: You are not allowed. Because if you are in control, you control the board.

MR. GANDHI: Exactly,

MR: SERURE: I'm saying They're going to be on the board. They're coming in and paying more to the same 50 percent. That's what I'm saying. I'm saying I think they'll pay more money than(inaudible).

MR: SROUR-SERURE: They've been playing us They've been playing us.

MR. DAHIYA: I'm the one that I got from that

MR: SROUR-SERURE: You know what he's telling me? How did you guys do that? The guy was going to loan the money and taking the collateral; They're coming over there full. When did Three days ago I was there.

MR. GANDHI: Right. you know what? These people are constantly changing the deal Constantly changing the deal Because you know, this is how their games are right

MR: SERURE: They do it on purpose?

MR. GANDHI: No. It's not on purpose because you know people like us come in, go out, Come in, go out, come in, go out. Right,

MR. DAHIYA: (inaudible)

MR. GANDHI: Right, now again --

(Crosstalk)

MR. GANDHI: Now there is a deal, a different deal. There's like a different deal.

MR: SERURE: They're always spinning

MR. GANDHI: That’s it. It's a moving target; dealing happens. It's a moving target for them

MR. DAHIYA: Yeah, it's like -- that's what joint ventures are all about. (inaudible)

MR: SROUR-SERURE: (inaudible) But the Buy Buy, they're all digital right now. (Crosstalk)

MR: SERURE: Look, I think they are going to have tremendous value, I think they are going to go much further with these guys helping structure the business for sure.

MR: SROUR-SERURE: Which guys?

MR: SERURE: The whole -- all of them. You'll go much further with them, 100 percent. You don’t have the, what's it called, all this logistical stuff that

they're going to be executing and on an expedited timeline.

MR: SROUR-SERURE: Do you know what does that means; gone with the wind or talk is cheap? Talk is cheap

MR: SERURE: Okay, so let's see what they're able to offer; I don't know. But If they are able to do what they're saying

MR: SROUR-SERURE: Talk is cheap(inaudible). It's not that they are, what do you call it, That they invented the wheel over here. Motherfucker, on Monday night, no. This money over here, the [redacted] dollars a week, wants to buy us, okay, 90 days of the store, more rent. And also claim for the, what do you call it, for employees to run it. Now it's all complete.

(Crosstalk)

MR. GANDHI: I don't know what happened. Yesterday, the day before yesterday, they were all into that 90-day free. And now they're saying it didn't come up in negotiations.

MR: SROUR-SERURE: What kind of argument (inaudible) The negotitions with the stores, they are married to the store's people. They are married to the 16 people already, right? So they will be telling them, they are trying to talk about 90 --

(Crosstalk)

MR: SERURE: Are you telling me you can own 50 percent right now? You have zero control.

(Crosstalk)

MR: SERURE: Let's say you do what you want to do and they don't approve it. What happens?

MR: SROUR-SERURE: (inaudible)

MR: SERURE: What are they going to do?

MR: SROUR-SERURE: I'm controlijng the buy, you think im going to listen

MR: SERURE: Stop (inaudible) What are they going to do?

(Crosstalk)

MR. GANDHI: All of the real estate deals that you have, right? Although we aren't looking at the financials and distribution, those management companies do they also have something at the exit? When do they sell the building?

MR: SROUR-SERURE: Yeah, of course they do.

(Crosstalk)

MR. GANDHI: I'll have to check that; what they are talking about. Because, see, I know they charge the management fee for what they are doing now.

MR: SROUR-SERURE: On two, on two, on two of those deals over there, I'm getting I'm getting part of the management fee.

MR. GANDHI: Okay, okay So that's why you are getting at least a benefit out of it.

MR. DAHIYA: You have to front end to get it back,

MR: SROUR-SERURE: Because they are getting 2 percent and I'm getting what do you call it, a quarter of that.

MR. GANDHI: So I told him, I told him, listen, if you are at Two and Twenty Offer us one third of that and one third is a management fee on our source gear So together we become like 40/50 percent, But they still get 60 percent, 65 percent and we get 50 percent I told him that, I said listen, you can do it that way you can offer Mark, and than we'll see. So let's say if they are getting a [redacted]; they offer us [redacted] out of that [redacted] and then they offer another [redacted] through a management fee. So, we get [redacted] things at [redacted]. So, I said, I think do that way. So, at least we are there, right? In this case we are nowhere.

MR: SERURE: I don't understand. How are you sitting by a table for 3, 4 hours with people and you still

don't know. They didn't make clear that they're not in on this deal.

MR: SROUR-SERURE: No, I saw it from the beginning over here.

MR. GANDHI: You see there is number --

(Crosstalk)

MR: SERURE: Why are we so confused from the Two and Twenty?

MR: SROUR-SERURE: Because It didnt makes sense to me.

MR. DAHIYA: Because when they said Two and Twenty, we didn't connect 20 to the equity or ownership. On the exit, right. Okay 20 percent, everbody profits and everything, they are taking 20 percent on that. But we didn't understand that they are not investing and that was a thing. So, in our mind we were thinking, okay, you own 15, whatever, you're getting youre perecentage also, fine, like we are getting, and then 20 percent

MR: SERURE: Can they force us to sell?

(Crosstalk)

MR. GANDHI: Because you are not a majority, think about it.

MR: SERURE: They can force you to sell.

MR: SROUR-SERURE: Yes.

MR. GANDHI: When they need money and (inaudaile)

(Crosstalk)

MR: SERURE: They want to make sure that youre able to buy tham at some point.

MR. DAHIYA: Because ethe whole model is on selling.

(Crosstalk)

MR: SERURE: You sell the other 50 percent and youll take from there.

(Crosstalk)

MR: SERURE: I know it'll be expensive but by then (inaudible)

MR. GANDHI: Understand this. They are getting into this differently.

(Crosstalk)

MR: SROUR-SERURE: You can do it also differently. You can go in (inaudibile, and whoever those partners over there, double the money and get out.

(Crosstalk)

MR: SROUR-SERURE: Go to Perot, use double your money over there, get out, inderstand what I mean? They just made money witin a week. Within a month, they double up the money.

MR: SERURE: What are you saying, in a week?

MR: SROUR-SERURE: (inaudibile)

MR: SERURE: But they'regoing to make 10 times on the back end

MR: SROUR-SERURE: Bullshit! I'd rather double my money today, than wait five years

MR. GANDHI: So, that is the reason I was pushing for the management fee On the purchases.Because, I don't want to wait until the exit. But, let's say if every year --

MR: SROUR-SERURE: (inaudiablye)

MR. GANDHI: I'm saying that every year, if you buy [redacted] and you get percent of that, you start collecting your [redacted] every year, you don't care about the exit after that, right? They care about the exit because they don't have anything else except exit. So that is why I was pushing for that.

MR. DAHIYA: See they are charging you, see that big number, but if they can't freaking add value and exit, they are done it's true.

MR: SERURE: Even if they didn’t dom anything, I think we could bring it back to a billion dollars.

MR. DAHIYA: That's why they are there. Whay are all these people running around?

MR: SERURE: I'm saying they're getting paid from, --

MR. DAHIYA: No, see that, I'm not saying nothing, right. I'm just saying that they are really banking on this 2, 3 years event.

MR: SERURE: On the sale.

MR. DAHIYA: So why would these venture capital, all these, that's the model. The only difference between the managing fun is there operating funds, right? They are operating too so they are gauerenteeing the investor they, Ive created this, your investing, but ill make sure this happens because I have the experience, right? That's the spin and that's the value. So they are able to command that value, right? Otherwise, it would have been 2 percent, 4 percent right?

MR: SERURE: Yeah.

MR. DAHIYA: They are saying larger because they are going to make sure it happens.

MR. GANDHI: See, every hedge fund or every operator like this, they have two, three hedge fund partners with them. And what they are doing, they are going together, right? So they depend on the Go Global, for example in this case.

(Crosstalk)

MR. GANDHI: And you are going to make sure that nobody gets more than 50 percent. So the board positions you 50, me 50 and he's Go global --

MR: SERURE: Now, he works with this guy?

MR. GANDHI: He's a founder.

(Crosstalk)

MR. GANDHI: So, let's say, this is the board, right, three of us.? It's the open. Now, I want to desperately do something that I firmly believe in as a DUM. You are not taking that call. So who gets the call? This guy. And this guy's always going to go with this guy and not with me. Because they are already married into this.

MR: SERURE: (inaudible) they're all in control

(Crosstalk)

MR. DAHIYA: Look at our poliy, right. So, let's say they are in, and we decide, we decide to exit out. We are in control and we pass on and say guys, we are done. So they never got an exit. And they gone, Right? So the reason for what they're trying to control is their destiny and exit, right? Because they know if I don't have this, I have nothing. They would rather I would be a management paid consultant, right? Which is not there. I don't think so that's their model.

MR: SERURE: (inaudibile)

MR: SROUR-SERURE: How are we able to participate in the (inaudible). Fuck them. What is it that we need to do?

MR. DAHIYA: I checked with Barry (phonetiv) and Barry is not on board.

MR: SROUR-SERURE: On what?

MR. DAHIYA: On us doing solo.

MR: SROUR-SERURE: (inaudible)Does she have a choice in the matter? But Barry will understand that they were playing everybody over there. That they are coming in as a investors. They're not putting any money in. They might talk that they're putting money in. But they are actually they're not putting any money in. But they're able to exit.

MR. DAHIYA: (inaudible)

MR: SROUR-SERURE: Exactly. So we should understand what the hell they we're doing, the same way you're understanding today, what they were doing, she's going to look at it in the different eyes completely(inaudible). I know she doesn't have any control.

MR. DAHIYA: But Milan, how are you going to go direct tomorrow you have to submit the bid.

(Crosstalk)

MR: SERURE: The day of the bid, you need to put in ten percent, and the next day, you need to pay the entire amount

MR. GANDHI: Exactly. You have only one week window to pay the full amount if you reach this day. So tomorrow I say we go with [redacted] dollar, I'm sorry, [redacted] dollar, Which is [redacted] of the, sorry, [redacted] percent of the [redacted] deal that we want to put in, right. And these people are also putting [redacted] dollar. Then we are in an auction situation. So we go [redacted] up. They go [redacted] up. We go [redacted]. They go, at some point, you or he will win the game right. When you win the game within five days, you have to pay the balance money, which is the 90 percent of that, right. And then you can control it. But do you have an operator to run that soon. That's the question that they are telling us.

MR: SROUR-SERURE: To run what?

MR. GANDHI: Then tell, so.

MR: SROUR-SERURE: But you have the Buy Buy Baby operation.

MR. GANDHI: But listen, Buy Buy Baby failed for whatever reason because they have not smart enough.

MR: SERURE: No, they failed because they were dragged down from Bed Bath.

(Crosstalk)

MR. GANDHI: The combination of everything. But you really need somebody like us, who can say, my friend, you can't buy this, You can't do this. You don't have anybody who is saying that right now. So you might bring in under the management company to run that so far as.

MR: SROUR-SERURE: (inaudibile).

MR. GANDHI: I'm not saying that. I have to say, that you will need another management company that you know that, okay, you can run my business.

MR: SERURE: And if they come up with it all that money upfront.

MR. GANDHI: Yeah. That's a big one. Get that money out.

MR. DAHIYA: So, my thing is, so, ideally, what you are trying to do is (inaudible), and you pay 50, right. You see, that is one way. Okay, we give you 50. Yes, whatever you wanted to do, you're in. You do the transition work. You do this in like this and exit (inaudible). So that didn't work. Right? Because, like meaning you hold the board at that point. So you can come to your destiny anywhere with that critique.

MR. GANDHI: I think they --

MR. DAHIYA: They are a minority

MR. GANDHI: Yeah, they --

MR: SERURE: So how much more is this going to cost us more than 50?

MR. DAHIYA: The problem for them is? (inaudible) So what would be, I'm just saying, to safeguard them (inaudibile)?

MR: SROUR-SERURE: The problem would be here that you have to (inaudible). If your going to come up with it, it would cover the 50.

(Crosstalk)

MR. GANDHI: Right. I think they are already married to each other. See, believe me, 99.9 percent they will be the winner. Because all these deals don't happen unless you know the sync you're there. Right? No. And you have already done an underlying deal.

MR. DAHIYA: Okay, so all this time, they did know all this time they are the ones who asked for delay.

MR. GANDHI: Of course, yes. Because they don't have somebody to fund it, we need your money. He said it very clearly.

MR: SERURE: I don't think --

MR: SROUR-SERURE: So, You tell me over here right now. The company that you already have 200 stores

and you have 30 stores, and you don't have enough million dollars to cover it?

MR. DAHIYA: No, it's not a two-and-a-half.

MR: SROUR-SERURE: They lose two and a half.

MR. DAHIYA: It's not two and a half.

MR: SROUR-SERURE: No, if you tell me that Perot is putting the other [redacted] dollars for you

MR: SERURE: He's also putting the other [redacted].

MR. DAHIYA: Yeah, the problem is not that. The problem is you lose two and a half if you don't have two.

(Crosstalk)

MR: SERURE: So, you have to make sure they have the money also, not just you.

MR. GANDHI: But you know what, that could be different now.

MR: SROUR-SERURE: You think I will go and give them the fuckers, and send the money to them directly?

MR: SERURE: No.

MR: SROUR-SERURE: Who would even trust them with a ten-foot pole over here. The money has to go directly to the court.

MR: SERURE: No, but the court --

(Crosstalk)

MR. GANDHI: So, they hold the checks till the decision is made. If the decision goes against us, we get the check back. If the decision is in our favor, then you are given four or five days to pay the balance. If you don't pay the balance, then that gets forfeited whatever you paid earlier. And then the new calls start. Or the new time starts. Or they go into bankruptcy.

MR. DAHIYA: No, at this point, these guys could say, should we speak to the street guys?

MR: SERURE: Sixth Street?

(Crosstalk)

MR: SERURE: They're out right now?

MR. DAHIYA: No, they're offering the line of credit

(Crosstalk)

MR. GANDHI: I'm telling you, they are already married to each other. Go Global already has a deal.

MR. DAHIYA: They're just trying to fix it.

MR. GANDHI: Absolutely.

(Crosstalk)

MR. DAHIYA: It's a deal that people know it's a deal. Especially, I think to Go Global (inaudible).

MR. GANDHI: But even when they make, let's say, 20 percent right on the exit. Do you think that 6th

Street will not get anything? They will get money from Go Global out of that 20 percent. That is how they make the deal, 100 percent, 100 percent. They do. I think that they don't want to split because they're already giving under to people as part of their (inaudible).

MR: SERURE: So this guy basically has a business. So, this guy basically has a business. The businesses I have, let's say, ten key people. We come in, and we restructure our business for two or three years. And now I make tens of billions of dollars, and I just have to carry their salary for those two years. Yes. That’s essientially what it is, and he gets that [redacted], the [redacted] to help him with the salary.

(Crosstalk)

MR. DAHIYA: Fund incentives, they don’t look at options. They flip to somewhere. So they do the transition. They fix it. They flip out.

MR: SERURE: Is there a way to negotiate a fund that if we are going to, let's say for us, buy it out at a discounted rate? Instead of them forcing us to sell to another party, let us buy it at a discounted rate and buy it out.

(Crosstalk)

MR: SERURE: No, I know; I'm saying we can't make an agreement when we enter a partnership agreement.

MR. GANDHI: With who?

MR: SERURE: (inaudibile)

MR. GANDHI: They won't do that with us. You don’t understand that. Go Global, if the deal may continue. Right. He is protecting you, you, you, and you. You can't talk to him about making a deal and leaving me.

MR: SERURE: No, I'm saying with these two guys, (inaudible) and Perot, okay guys, I understand you want to sell in three years. Instead of selling and forcing me to sell out of the market for 500, allow me to buy instead (inaudible)

MR. GANDHI: Why would they allow you to do that? They are losers in that.

MR. DAHIYA: By the way, a lot of these guys in this room, they're okay with losing 25, but the will not lose the up.

(Crosstalk)

MR. DAHIYA: Hey, what's the time though?

MR: SERURE: Its 2:40.

MR: SROUR-SERURE: You want me to talk to George (phonetic).

MR. GANDHI: So when are we coming here, Mark?

MR. DAHIYA: Dream squad.

(Conversation concluded)